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LEGISLATIVE HISTORY

Public Law 388--80th Congress

Chapter 519--1st Session

H. R. 4075

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DIGEST OF PUBLIC LAW 388

SUGAR ACT OF 1948.) Reenacts the Sugar Act of 1937 with changes; extends the termination date from December 31, 1947 to December 31, 1952; and extends the sugar tax to July 1, 1953. Requires the Secretary to estimate each year the sugar requirements of consumers in the continental U. S., taking into account various factors so as to provide a supply of sugar that will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the domestic sugar industry. Establishes fixed quotas for domestic areas totaling 4,268,000 short tons (domestic beet 1,800,000; mainland cane, 500,000; Hawaii, 1,052,000; Puerto Rico, 910,000; Virgin Islands, 6,000), a fixed quota of 952,000 short tons for the Republic of the Philippines, and allots to Cuba and full duty countries the balance of the estimate of consumption requirements, with 98.64% allotted to Cuba and 1.36% to full duty countries. Provides that any Philippine deficit is to be reallocated to Cuba (95%) and full duty countries (5%) and that any deficit of any domestic area or Cuba is to be prorated to the other domestic areas and Cuba which are able to supply such deficits. Guarantees for Cuba a minimum quota of 28.6%, which is equivalent to her share of the quota under the Sugar Act of 1937 at consumption levels at or above 6,682,670 short tons. Provides that, if the Cuban quota after reallocation of deficits would otherwise fall below 28.6%, the proration of the Philippine deficit to full duty countries would be 1.36% instead of 5% and that any further addition needed to maintain the 28.6% quota would be deducted prorata from domestic quotas. Continues provision for suspension of quotas by Presidential proclamation in event of emergency but provides that the direct consumption portion of the quotas shall not be subject to suspension unless the President specifically finds that an emergency exists which requires their suspension. Authorizes the Secretary to withhold or withdraw any quota increase for any foreign country over that provided for such country under the Sugar Act of 1937 if such country denies fair and equitable treatment to U. S. nationals. Continues the conditional payment provisions of the Sugar Act of 1937 with respect to marketing limitations for producers, employment of child labor, the payment of fair and reasonable wages to sugar beet and sugarcane workers, and the payment of fair prices for sugar beets and sugarcane purchased by processors who are also producers. Eliminates the farming practice condition for payment.



INDEX AND SUMMARY OF HISTORY ON H. R. 4075

June 21, 1947	Hearings: House. (unnumbered) Resume of hearings.
July 2, 1947	H. R. 4075 was introduced by Rep. Hope and was referred to the House Committee on Agriculture. Print of the bill as introduced.
July 3, 1947	H. R. 4075 was reported by the House Committee without amendment. House Report 796. Print of the bill as reported.
July 7, 1947	House Rules Committee reported H. Res. 273 for the consideration of H. R. 4075. House Report 798. Print of the Resolution.
July 8, 1947	House Committee filed a supplemental report on H. R. 4075. House Report 796, Pt. 2. Print of the Report. S. 1584 was introduced by Senator Millikin, for himself and others, and was referred to the Senate Committee on Finance. Print of the bill as introduced.
July 9, 1947	House began debate on H. R. 4075.
July 10, 1947	House debate continued. Extension of remarks of Rep. Crawford.
July 11, 1947	Debate concluded. H. R. 4075 passed House with amendments.
July 12, 1947	H. R. 4075 was referred to the Senate Committee on Finance. Print of the bill as referred.
July 17, 1947	Senate Committee reported H. R. 4075 with an amendment. Senate Report 578. Print of the bill as reported. Extension of remarks of Rep. Weichel.
July 18, 1947	Amendment proposed by Senator Chavez to S. 1584. Print of the amendment.
July 25, 1947	H. R. 4075 was debated in the Senate and passed with amendment. (Rejected Committee amendment).
August 8, 1947	Approved. Public Law 383.

SUGAR ACT OF 1948

HEARINGS

BEFORE

THE COMMITTEE ON AGRICULTURE

HOUSE OF REPRESENTATIVES

EIGHTIETH CONGRESS

FIRST SESSION

JUNE 21, 25, AND 27, 1947

Printed for the use of the Committee on Agriculture



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any sugars which are principally not of crystalline structure, but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.

(e) The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 per centum or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) The "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing ninety-six sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing ninety-two or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07;

(2) For sugar, derived from sugarcane and testing ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93;

(3) For sugar, derived from sugarcane and testing more than ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above ninety-two degrees;

(4) For sugar and liquid sugar, testing less than ninety-two sugar degrees by the polariscope, by dividing the numbers of pounds of the "total sugar content" thereof by 0.972.

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection (h).

(i) The term "total sugar content" means the sum of the sucrose (Clerget) and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota," depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year, from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugarcane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or liquid sugar which may be marketed in the Territory of Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The term "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculture.

TITLE II—QUOTA PROVISIONS

SEC. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first ten days thereof) and at such

other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas, by apportioning among such areas 4,268,000 short tons, raw value, as follows:

Area	<i>Short tons, raw value</i>
Domestic beet sugar-----	1,800,000
Mainland cane sugar-----	500,000
Hawaii-----	1,052,000
Puerto Rico-----	910,000
Virgin Islands-----	6,000

(b) For the Republic of the Philippines, in the amount of 952,000 short tons, raw value.

(c) For foreign countries other than the Republic of the Philippines, by prorating among such areas an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

Area	<i>Per centum</i>
Cuba-----	98.64
Foreign countries other than Cuba and the Republic of the Philippines-----	1.36

The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, Number 1, issued December 12, 1936, pursuant to the Agricultural Adjustment Act, as amended.

(d) Notwithstanding the other provisions of this title II, in the event the quota established for Cuba, including any and all deficits allotted or prorated to Cuba pursuant to the provisions of section 204 (a), shall be a smaller proportion of the total amount of sugar which the Secretary determines is needed to meet the requirements of consumers in the continental United States pursuant to section 201 of this Act, than the quota which would have been established for Cuba upon such consumptive estimate under the provisions of section 202 (b) of the Sugar Act of 1937, the quotas for domestic sugar-producing areas established pursuant to the other provisions of this title II shall be reduced pro rata by such amounts as are required to establish such quota for Cuba and the amounts by which such domestic sugar-producing quotas are so reduced shall be added to the quota for Cuba.

(e) If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption

requirements provided for such country by this Act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937.

SEC. 203. In accordance with such provisions of section 201 as he deems applicable, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

SEC. 204. (a) The Secretary shall, from time to time during the calendar year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any domestic area, the Republic of the Philippines, or Cuba, will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect: *Provided, however*, That domestic areas shall not share in any deficit of any domestic area if the then outstanding determination of the Secretary made pursuant to section 201 of the Act is less than seven million short tons, raw value. If the Secretary finds that the Republic of the Philippines will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for Cuba and foreign countries other than Cuba and the Republic of the Philippines by prorating an amount of sugar equal to the deficit so determined, as follows:

To Cuba-----	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines-----	5 per centum

Provided, however, That whenever the quota for Cuba established under the provisions of this Act other than section 202 (d) is less than the amount required by the provisions of section 202 (d) of this Act, such prorations shall be as follows:

To Cuba-----	98.64 per centum
To foreign countries other than Cuba and the Re- public of the Philippines-----	1.36 per centum

Any portion of such Philippine deficit which the Secretary determines cannot be supplied by Cuba shall be prorated to foreign countries other than Cuba and the Republic of the Philippines. No part of any Philippine deficit so prorated may be filled by direct-consumption sugar.

(b) If, on the 1st day of September in any calendar year, any part or all of the proration to any foreign country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under the provisions of section 202 (c) has not been filled, the Secretary may revise the proration of such quota among such foreign countries by allotting an amount of sugar equal to such unfilled proration to such foreign countries as have filled their prorations of such quota by such date.

(c) The quota for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section 204.

(d) Any proration among foreign countries other than Cuba and the Republic of the Philippines pursuant to this section shall be on such basis as the Secretary shall determine.

SEC. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this Act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import

or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302, pertained; the past marketings or importations of each such person; and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

(b) An appeal may be taken, in the manner hereinafter provided from any decision making such allotments, or revisions thereof, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revising any allotment made to him.

(c) Such appeal shall be taken by filing with said court, within twenty days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of said appeal the Secretary shall file with the court the originals or certified copies of all papers and evidence presented to him upon the hearing involved, a like copy of his decision thereon, a full statement in writing of the facts and grounds for his decisions as found and given by him and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

(d) Within thirty days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however*, That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 240 of the Judicial Code, as amended (U. S. C., title 28, sec. 347), by appellant, by the Secretary, or by any interested party intervening in the appeal.

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

SEC. 206. Sugar quotas shall be established pursuant to this Act for the calendar year 1948 within ten days after effective date of this Act.

SEC. 207. (a) Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.

(b) Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) Not more than fifty-six thousand short tons, raw value, of the quota for the Republic of the Philippines for any calendar year may be filled by direct-consumption sugar.

(e) Not more than three hundred and seventy-five thousand short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar.

(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

(g) The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of title II applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 409 of this Act unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas.

SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

Country	<i>In terms of wine gallons of 72% total sugar content</i>
Cuba-----	7, 970, 558
Dominican Republic-----	830, 894
Other foreign countries-----	0

SEC. 209. All persons are hereby prohibited—

(a) From bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or foreign countries, (1) any sugar or liquid sugar after the applicable quota, or the proration of any such quota, has been filled, or (2) any direct-consumption sugar after the direct-consumption portion of any such quota has been filled;

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland cane-sugar area after the quota for such area has been filled;

(c) From marketing in either the Territory of Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

(d) From exceeding allotments of any quota, direct-consumption portion of any quota, or proration of any quota, made to them pursuant to the provisions of this Act.

SEC. 210. (a) The determinations provided for in sections 201 and 203, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208, shall be made or established in terms of raw value.

(b) For the purposes of this title, liquid, sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 and in the establishment or revision of quotas, prorations, and allotments.

SEC. 211. (a) The raw-value equivalent of any sugar or liquid sugar in any form, including sugar or liquid sugar in manufactured products, exported from the continental United States under the provisions of section 313 of the Tariff Act of 1930 shall be credited against any charges which shall have been made in respect to the applicable quota or proration for the country of origin. The country of origin of sugar or liquid sugar in respect to which any credit shall be established shall be that country in respect to importation from which drawback of the exported sugar or liquid sugar has been claimed. Sugar or liquid sugar entered into the continental United States under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin.

(b) Exportation within the meaning of sections 309 and 313 of the Tariff Act of 1930 shall be considered to be exportation within the meaning of this section.

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area: *Provided, however*, That any sugar or liquid sugar admitted free of duty from the Virgin Islands under the Act of Congress, approved March 3, 1917 (39 Stat. 1133), may be admitted within the quota for the Virgin Islands.

SEC. 212. The provisions of this title shall not apply to (1) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year; (2) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in individual sealed containers of such capacity as the Secretary may determine, not in excess of one and one-tenth gallons each; or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production of livestock feed.

TITLE III—CONDITIONAL-PAYMENT PROVISIONS

SEC. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

(a) That no child under the age of fourteen years shall have been employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane with respect to which application for payment is made, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed; and that no child between the ages of fourteen and sixteen years shall have been employed or permitted to do such work, whether for gain to such child or any other persons, for a longer period than eight hours in any one day, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed. The Secretary is authorized to make payments, notwithstanding a failure to comply with the conditions provided in this subsection, but the payments made with respect to any crop shall be subject to a deduction of \$10 for each child for each day, or a portion of a day, during which such child was employed or permitted to work contrary to the foregoing provisions of this subsection.

(b) That there shall not have been marketed (or processed) an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

SEC. 302. (a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carry-over inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the

Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

(c) Payments shall be effective with respect to sugar or liquid sugar commercially, recoverable from sugar beets and sugarcane grown on a farm commencing with the crop year 1948.

SEC. 303. In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302, the Secretary is also authorized to make payments, on the conditions provided in section 301, with respect to bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing area, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) With respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess of 80 per centum of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary, over the actual yield.

SEC. 304. (a) The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

(b) All payments shall be calculated with respect to a farm which, for the purposes of this Act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following in- tervals of short tons, raw value	Reduction in the base rate of payment per hundred- weight of such portion
350 to 700.....	\$0.05
700 to 1,000.....	.10
1,000 to 1,500.....	.20
1,500 to 3,000.....	.25
3,000 to 6,000.....	.275
6,000 to 12,000.....	.30
12,000 to 30,000.....	.325
More than 30,000.....	.50

(d) Application for payment shall be made by, and payments shall be made to, the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however*, That all producers on the farm shall signify in the application for payment the percentage of the total payment with respect to the farm to be made to each producer: *And provided further*, That payments may be made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. In carrying out the provisions of titles II and III of this Act, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service and other agencies, and the Secretary may prescribe

that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. The facts constituting the basis for any payment, or the amount thereof authorized to be made under this title, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. This title shall apply to the continental United States, the Territory of Hawaii, Puerto Rico, and the Virgin Islands.

TITLE IV—GENERAL PROVISIONS

SEC. 401. For the purposes of this Act, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this Act, including personal services and rents in the District of Columbia and elsewhere.

SEC. 402. (a) There is hereby authorized to be appropriated for each fiscal year for the purposes and administration of this Act the funds necessary to make the payments provided for in title III of this Act and such other amounts as the Congress determines to be necessary for such fiscal year to carry out the other provisions of the Act.

(b) All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this Act.

(c) The funds made available for the purpose of enabling the Secretary to carry into effect the provisions of the Sugar Act of 1937, as amended, during the fiscal year 1948 are also hereby made available to the Secretary for purposes of administration of the provisions of this Act during the fiscal year 1948.

SEC. 403. Notwithstanding any other provision of law, the funds made available for payments to producers under title III of this Act shall be available to the Secretary for allotment and payment in advance of determination of performance by producers to the local committees utilized pursuant to section 305 of this Act and, in accordance with regulations prescribed by the Secretary, shall be deposited in local banks and disbursed by the committees in making payments to producers: *Provided*, That members of such committees shall give bond in such sum and under such regulations as the Secretary shall prescribe.

SEC. 404. (a) The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this Act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this Act shall, upon conviction, be punished by a fine of not more than \$100 for each such violation.

(b) Each determination issued by the Secretary in connection with quotas and deficits under title II or payments under title III of this Act shall be promptly published in the Federal Register and shall be accompanied by a statement of the bases and considerations upon which such determination was made.

SEC. 405. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this Act or of any order or regulation made or issued pursuant to this Act. If and when the Secretary shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

SEC. 406. Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (a) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. 407. All persons engaged in the manufacturing, marketing, or transportation or industrial use of sugar or liquid sugar, and having information which the Secretary deems necessary to enable him to administer the provisions of this

Act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than \$1,000 for each such violation.

SEC. 408. No person shall, while acting in any official capacity in the administration of this Act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than two years, or both.

SEC. 409. Whenever pursuant to the provisions of this Act the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation, except as provided in section 207 of this Act, of all the provisions of title II above, and, thereafter, the operation of such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section.

SEC. 410. Whenever the Secretary determines that such action is necessary to effectuate the purposes of this Act, he is authorized, if first requested by individuals or associations constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area and (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor, producer, or laborer.

SEC. 411. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this Act and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

SEC. 412. The powers vested in the Secretary under this Act shall terminate on December 31, 1952, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year 1952 and previous crop years.

SEC. 413. The provisions of this Act, except where an earlier effective date is provided for herein, shall become effective the first moment of January 1, 1948. As provided in section 513 of the Sugar Act of 1937, the powers vested in the Secretary under that Act shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III of that Act under programs thereunder applicable to the crop year 1947 and previous crop years.

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE

SEC. 501. (a) Subsection (b) of section 3507 of the Internal Revenue Code (relating to the definition of "manufactured sugar") is amended by inserting in the parenthesis after the word "added" therein the following: "or developed in the product".

(b) Section 3508 of the Internal Revenue Code (relating to termination of taxes) is amended to read as follows:

"SEC. 3508. TERMINATION OF TAXES.

"No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar after June 30, 1953."

(c) A new section 3509 is added to the Internal Revenue Code as follows:

"SEC. 3509. FLOOR STOCKS REFUNDS ON MANUFACTURED SUGAR.

"(a) IN GENERAL.—With respect to manufactured sugar upon which the tax imposed under this chapter has been paid, and which upon termination of such

tax is held by any persons and intended for sale, except stocks held for sale at retail, or held for use in the manufacture or production of any article intended for sale, there shall be credited or refunded to the manufacturer of such sugar (without interest), subject to such regulations as may be prescribed by the Commissioner with the approval of the Secretary, an amount equal to the tax paid by such manufacturer on stocks held by him plus such amount as has been paid by such manufacturer to any person holding such sugar as reimbursement for the termination of the tax imposed under this chapter, if claim for such credit or refund is filed with the Commissioner prior to the expiration of three months after the termination of such tax.

“(b) LIMITATIONS ON ELIGIBILITY FOR CREDIT OR REFUND.—No person shall be entitled to credit or refund under subsection (a) unless he has in his possession such evidence of the inventories with respect to which he has paid the tax or made the reimbursements described in subsection (a) as the regulations under subsection (a) prescribe.

“(c) All provisions of law, including penalties, applicable in respect of taxes imposed under this chapter shall, insofar as applicable and not inconsistent with this section, be applicable in respect of the credits and refunds provided for in this section to the same extent as if such credits or refunds constituted credits or refunds of such taxes.”

“(d) The amendments to the Internal Revenue Code provided for in this section shall become effective upon the first day of the second month following the date of the enactment of this Act.

STATEMENT OF HON. CLINTON P. ANDERSON, SECRETARY OF AGRICULTURE

Secretary ANDERSON. Thank you, Mr. Chairman. I think probably I could do better if I made a statement first as to why it seemed desirable to do this.

The CHAIRMAN. We would like to have you proceed in your own way.

Secretary ANDERSON. I admit to you frankly I do not know too much about the provisions of this committee print or suggested bill. About a year ago it became obvious that negotiations with the Cuban Government for the purchase of at least one crop and preferably two crops from Cuba were not proceeding very well. And I discovered one of the reasons was the Cubans seemed to be uncertain as to what their future picture would be, because they were making what they regarded as unusual and very substantial efforts to help in relieving the sugar problem of the United States. So, since we had been negotiating for nearly 13 months with the Cuban Government, we tried to find out what steps might be taken to reassure them.

I need not go into all of the details as to what they thought might be desirable or what we thought might be possible, but it was quite obvious the thing that seemed quite uppermost in their minds was not possible or desirable. They felt an exchange of notes between the Chief Executives of the two countries would be a proper solution. The Department of Agriculture pointed out to them that allotments of sugar quotas was a province of the Congress and not a function of the Chief Executive and, therefore, it could not be handled, as they desired, by a note. There was, however, a letter written by the State Department to the Senate Committee on Finance urging an effort be made on the part of the United States to recognize the wartime contribution of the Cubans when new allotments were made.

I then went to Cuba within a few days after that letter was written and entered into negotiations for the purchase of two crops, part of the first crop already having been delivered. The other very large

crop now is being delivered to us. The Cuban Government did sell those crops to us on what I still believe to be a very fair basis and, because of the excellent way in which the American representatives were treated in Cuba, I felt an obligation to see to it that in any new sugar legislation the wartime contribution by the Cuban Government was recognized.

At the same time, Mr. Chairman, I felt there were other areas that had problems and whose contributions needed to be recognized; or, in case they were not able to increase their contribution, that the problems they faced should be recognized. For example, the Philippines could not make much contribution during the war because they were overrun; secondly, the Hawaiians, whose production held up remarkably well during the war, could not increase it as Cuba had increased its production, because we were using great areas of Hawaii for military purposes; we were diverting manpower from their sugar plantations and sugar industry to our war needs. And it seemed only fair to say, if we should credit Cuba for the large out-turn it had in sugar, we should take into consideration the very fine work which the Hawaiians had done under extreme difficulties. Our own continental areas should certainly come in for consideration: because, while they did not greatly increase their output, and in fact during the early years of the war decreased their output, they did it in response to requests from the Department of Agriculture for what we regarded as a greater contribution to the war effort. They had moved into the planting of other types of crops and surely the actions they had taken in compliance with war programs should not be overlooked.

So, when it came time to consider legislation, we received letters from the Cuban Government saying a simple 1-year extension of the Sugar Act would be regarded as detrimental to Cuba's interests. I myself felt that was sort of a forced construction of our contract. I had written the particular language in our contract which said that a 1-year extension would not be regarded as detrimental, but the Cubans interpreted that to mean just one extension and not two. I recognized they had a basis for their point of view; so, Mr. Chairman, when I knew you were drafting a 1-year extension I felt it necessary to say to you, while I appreciated the fact you were trying to make a contribution to the stabilization of things, we felt that a 1-year extension would not be completely proper.

I think I should also say there was a very definite reason why we did not like the idea at this time. There is a provision in the present Sugar Act that if there is a deficit in an area such as the Philippines, that deficit shall be allotted to the full-duty countries and that does not mean Cuba. I felt if there was a deficit from the Philippines, as there probably will be and undoubtedly will be for the next 2 or 3 years, it was not fair to allot that to some country other than Cuba. So, you will recall, Mr. Chairman, I urged you to delay action on it for a little while if you could, to give the American domestic areas, meaning the cane and sugar beet areas, including Hawaii and Puerto Rico, an opportunity to see if they could get together. I appreciate very much your patience and indulgence to us under those circumstances.

When I found you were not going to hurry the hearings on this bill I appealed to the domestic industry to see if they could get together. The passage of the Sugar Act was greatly delayed in 1937 by the fact there could be no agreement between the domestic areas, and I am afraid not too much agreement between the branches of our Government. So it seemed desirable at the beginning to see if the domestic areas could agree. Very frankly, I was skeptical about it, but I thought it desirable to see if it was possible.

I believe it is only fair to say that these people reached an agreement by a good deal of giving and taking. They came to Washington and made a most sincere effort to try to find a basis upon which they could compromise what were certain to be difficulties and differences between them. It looked hopeless for a while. Then they began to report progress, and finally they asked me if I had anything to suggest to them as a basis for a bill. I did make a suggestion to them which I thought was fair. Very quickly there was a reply from one of the areas that would be involved, pointing out that my proposal was not fair, and I had to concede it was not fair. Therefore, I asked them if they could make a proposal. After a considerable amount of study they came in with a proposal which we studied for quite a while in the Department and came up with the conviction, by and large, that it was an extremely fair proposal. It does something which I think is valuable to the pattern of American agriculture. It pretty well freezes for the next 5 years our domestic production, not, however, at a low figure, but at a reasonable figure. It was in the neighborhood of what we did in prewar years under encouraging circumstances. Then it took the Cuban picture into consideration and made what I think is a most valuable concession to Cuba, namely, that nearly all of the Philippine deficit, 95 percent of it at least, should be credited at once to Cuba.

Now, the Cuban industry has expanded greatly during the war and to the great benefit of the United States and other areas which have looked to Cuba for sugar, so it seemed only fair they should be given an opportunity to compress their sugar plantings, if it was necessary to compress them, and, even if they should not compress them, that they would get the benefit of the development of the large areas which they have developed.

Believing as I do that sugar consumption will increase in the next few years, I see the possibility that the Cuban industry should continue at a very high scale in the years that lie ahead; but, if sugar consumption in the United States does not increase very greatly, then the Cuban Government is given a very fair opportunity to adjust its production and bring it down to a more realistic pattern. I say to you very frankly I do not believe it will come down to that pattern, because I believe we will have a large consumption of sugar around the world and it will take a long time to fill up our empty sugar bowls in the homes and at the same time to provide enough sugar so that industrial and institutional users in this country will have a reasonable supply on hand and an opportunity to lay in stocks in advance of their consumption. I look for a very strong sugar demand for many years to come and, under those circumstances, I think it proper to say that the domestic areas in their proposal dealt not only fairly but gener-

ously with Cuba, so that I was very pleasantly surprised with what they had been able to agree to.

Frankly, I had doubts they would be able to come up with an agreement; and when I saw what it was and how fair it seemed to me, then I was pleasantly surprised.

It became apparent that, if anything was to be done, it had to be done quickly, and there were, as you know, Mr. Chairman, some conferences with members of the Agriculture Committee trying to find out if your committee would consider such a proposal. We recognized the time was late and it was hardly fair for you to undertake extensive hearings on a bill of this character. Very wisely, your committee suggested we ought to find out whether the position of the administration could be brought together as the position of the domestic areas had been brought together.

With that in mind, it was suggested that we confer with the Department of the Interior, because it has a responsibility to both Puerto Rico and Hawaii. The Department of the Interior looked at the bill carefully and the Secretary of the Interior phoned me after they had had an opportunity to study it to say he was in full agreement with the purposes of the bill and they would be able to support it, because they felt it was of great value that the domestic areas were in agreement on it. I then suggested they consult the Bureau of the Budget and the State Department and other branches of the administration, and I am now in a position to say to you I am confident that the administration will be pleased to support a bill such as has been drawn if it should be favorably acted upon by this committee and by the House in turn and finally by the Senate.

That brings me up to the purposes, the workings behind the bill, and its precise situation. I say to you, Mr. Chairman, I have not seen the actual text which was the basis upon which this committee print was written, but I am sure all the principles involved in it have been discussed in my office and I am confident I know in general the basis upon which this bill has been drawn, so that I can say to you I heartily endorse the bill even though I have not seen the exact wording of it.

Mr. ANDRESEN. Mr. Secretary, will you permit a question?

Secretary ANDERSON. Yes.

Mr. ANDRESEN. Upon what basis of supply are you making your recommendation? What I have in mind is this: How much sugar do you feel the American people require over the period covered by this bill for each year?

Secretary ANDERSON. Well, I have made my study as to a minimum supply on the basis of 7,400,000 tons, which is the prewar figure adjusted to the present population. That would grow during a 5-year period, but I surely feel that the minimum requirements in this country would be 7,400,000 tons. I probably would not be regarded as a very good witness by the sugar industry that may take a more cautious view of the situation, but I feel the consumption in the next 2 or 3 years will be far above that figure actually, because there is no reserve supply in this country. The amount of sugar we need to do an ordinary merchandising job is not available. By that I mean there should be stocks of sugar in stores available to domestic consumers or housewives of the country, and the great industrial users should have on hand not the hand-to-mouth existence as they now have, but a several months' supply and in some industries that depend so heavily upon

sugar they might have several years' supply on hand in warehouses. They cannot hope to get to that point, I believe, for the next 2 or 3 years; but, taking that into consideration, you have an absolute minimum of 7,400,000 tons, and that is the figure I have in my mind when I say that is a fair estimate of what we are surely going to require.

Does that answer your question, Mr. Andresen?

Mr. ANDRESEN. Yes; that does. Now, if 7,400,000 short tons of sugar are available a year, you feel there will no longer be need for the rationing of sugar or for price control?

Secretary ANDERSON. Once you have built the stocks back, once you have built up the supplies so that you do not have to ship beet sugar from the west coast to the east coast at certain stages of the year and Cuban sugar back to the west coast, which is a very wasteful and improper practice, then I would say that the minimum you could look forward to would be 7,400,000 tons. Personally, I feel the first year we have a chance to do it we probably will use 8,000,000 tons of sugar in this country, including the building-up stocks, if the sugar is available.

Mr. ANDRESEN. My figures show we are going to have for this year somewhere between 7,400,000 tons and 8,000,000 tons. That would be for the balance of this year. I know the rationing of sugar for direct consumption has been discontinued, and I am thinking about the discontinuance of rationing for industrial users.

Secretary ANDERSON. I would say that was a matter requiring some discussion still, because you could easily have a situation where, if you removed all rationing, you would have certain industrial users to whom the use of sugar is more profitable than to others probably wanting to build up stocks of sugar while sugar is only a nickel per pound. So far as our Cuban sugar is concerned, the 5-cent price to Cuba is, in the opinion of many people, an advantageous price still, and they might want to lay in rather large supplies for particular industrial purposes where the desire is greatly increased by the use of moderately priced sugar.

Until we are assured of a somewhat larger supply, I think it would be unwise to terminate all controls; although, as I have said steadily, I see by the outturn of the crop that we are not too far away from such a possibility. But I do not think that time has arrived yet, or I would have taken some action in that regard.

Mr. ANDRESEN. Of course, we have some small industrial users like bakeries and small ice cream plants in the local communities that I assume, under the present regulations, it will not be difficult for them to get sugar.

Secretary ANDERSON. No.

Mr. ANDRESEN. I do not see how you are going to enforce the rationing of sugar in that respect. I did not want to interrupt you; I just wanted to get the figure of supply on which you predicated your statement.

Secretary ANDERSON. Then, if I may turn to the purposes of the bill:

The stated purpose of this bill is—

to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to amend the Internal Revenue Code; and for other purposes.

In effect, the bill would reenact the Sugar Act of 1937 with important changes and extend the termination date from December 31, 1947, to December 31, 1952. The tax with respect to sugar would also be extended to July 1, 1953. Like its predecessors (the Jones-Costigan Sugar Act of 1934 and the Sugar Act of 1937), the bill has as its primary object the stabilization of the sugar producing, refining, and importing industries. The bill would provide for a quota system, under which the United States market is divided among the various domestic and foreign areas supplying it, and for the necessary complements to that system, namely, a tax on sugar and payments to producers of sugar beets and sugarcane. Provision is also made for the protection of consumers against excessive prices.

Section 201 of the bill would change the method of estimating each year the quantity of sugar needed to meet the requirements of consumers in the continental United States. The Sugar Act of 1937 now provides that the estimate of consumption requirements shall afford a minimum annual supply to consumers, on a per capita basis, no less than that of the 2-year period 1937-38. This per capita standard is omitted from the bill and there is provided instead the direction that the Secretary, in making such a determination, shall take into consideration certain standards with a view to providing a supply of sugar which will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic-sugar industry. The standards to be taken into consideration include the level of consumption during the preceding year, a possible deficiency or surplus in inventories of sugar, changes in population and demand factors, the level and trend of consumer purchasing power, and the relationship between the prices at wholesale for refined sugar that would result from the determination and the general cost of living in the United States as compared with the relationship between the prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control on sugar. The last-named standard does not require the Secretary to limit his estimate of consumption requirements to an amount which would assure such a price for refined sugar, but merely provides that this factor shall be taken into consideration, together with the other factors, in the issuance of determinations under this section.

Section 202 of the bill proposes important changes in sugar quotas from those found in the Sugar Act of 1937. Heretofore the quotas for all sugar-producing areas, both domestic and foreign, have been based upon a percentage of the estimate of consumption requirements; and annual quotas have varied depending upon the amount of such estimates. Section 202 proposes to establish quotas for domestic areas in specific amounts and, after apportionment of a quota of 952,000 short tons, raw value, to the Republic of the Philippines (that is a treaty obligation), to apportion the remainder of the consumption estimate to Cuba and foreign countries other than Cuba and the Philippines on the basis of the same percentage ratios as now provided in the Sugar Act of 1937. The quota established for the Republic of the Philippines conforms to the quota for that country under the Philippine Trade Act of 1946, except that the quota in the latter act contains no specification as to polarization.

Mr. ANDRESEN. May I interrupt there to clear up a point in my own mind? You leave the percentage in the existing law the same as it is and then only assign the deficit to the Philippines?

Secretary ANDERSON. No. Actually there is a fixed quota established for domestic beets, of 1,800,000 tons, and 500,000 tons to domestic cane; 1,052,000 tons for Hawaii and 910,000 tons for Puerto Rico and 6,000 tons for the Virgin Islands. Those are established quotas. Then we take the Philippines—

Mr. ANDRESEN. Those are the standards in the act of 1937?

Secretary ANDERSON. No; those are somewhat different from the act of 1937, but only very slightly so. For example, of the 7,400,000-ton consumption which I used a moment ago, under the Sugar Act of 1937, the domestic beets would get 1,715,000 tons rather than 1,800,000 tons; the mainland cane would get 466,000 tons; Hawaii, 1,039,000 tons; and Puerto Rico, 883,000 tons. They are very similar to what the present figures are in the act of 1937, but they do vary slightly, and they are slightly increased, because they became fixed between 7 and 8 million tons, consumption in the United States. In exchange for that fixed quota for domestic areas, the Cubans have an opportunity to increase greatly their output of sugar during the next few years as compared with prewar.

Mr. ANDRESEN. In the case of sugar beets, assuming 1,700,000 tons of sugar beets are produced in the United States next year, or this year for consumption next year, and your quota for domestic sugar beets is 1,800,000 tons, what happens to that 100,000 tons?

Secretary ANDERSON. Cuba would get the benefit of a pro rata part of it; but if there was over all a great shortage in the domestic areas—that is, domestic beet, continental cane, Hawaii, and Puerto Rico—that would chiefly go to Cuba.

Mr. PACE. Is it contemplated that the domestic producers will go back under acreage control under this legislation?

Secretary ANDERSON. It would not be in 1948.

Mr. PACE. Next year?

Secretary ANDERSON. It is not necessary. This bill would carry the same provision that other bills have, that these quotas become established, but if it is felt it is not necessary because we are not going to have too large a production, they could be suspended.

Mr. PACE. In other words, you do not feel, under the terms of the new bill, you would be required to proclaim acreage controls next year?

Secretary ANDERSON. No; certainly on the basis of the present situation we would hardly feel that necessary.

Mr. PACE. Is there any change in this bill, regarding the method of making producer allotments, from the present law, or is the present law continued in that respect?

Secretary ANDERSON. I am advised it is the same, but I have not gone into that.

Mr. PACE. There is no change in the method as to dividing acreage among the producers?

Secretary ANDERSON. No.

Mr. POAGE. Is it going to satisfy the Cubans—and as I understand it, the effort in this bill is to satisfy the Cubans—is it going to satisfy them simply to write a law saying we are not going to produce more

than a certain amount of sugar and then take no steps to see that we do not produce more than that amount?

Secretary ANDERSON. I believe it will satisfy the Cubans, because they will know we will take those steps if they appear necessary. Right now, as I have said to you, the demand for sugar in 1948, in my opinion, is going to be extremely large, and even with the great crop grown in Cuba and the crops grown in these domestic areas, I feel there will still be an over-all tightness in the sugar situation.

Mr. POAGE. That seems to be a logical assumption, but when they objected and said they would consider it a breach of faith if we only passed a 1-year extension, then it seems to me they are likely to be wanting something in writing and wanting something on the statute books to assure them.

Secretary ANDERSON. I think, Mr. Poage, I should say when they said it would be detrimental to Cuba to have simply a 1-year extension, they were thinking of the fact that a 1-year extension would provide, in case there was a deficit in the Philippines—and we all know there is going to be one—that it goes to the full-duty countries such as Peru, and obviously that is not fair to the Cubans.

Mr. POAGE. I see.

Secretary ANDERSON. Section 202 (d) contains a proviso which in effect guarantees for Cuba a minimum quota, after reallocation of deficits, equivalent to the share provided for Cuba—28.6 percent—in section 202 (b) of the Sugar Act of 1937. Under this proviso, when Cuba's share under the quota system set forth in this bill would otherwise fall below 28.6 percent, the quotas for domestic producing areas would be reduced on a pro rata basis by the amount necessary to maintain a quota for Cuba of 28.6 percent. It is extremely likely that consumption of sugar in this country during the next 5 years will be at a sufficiently high level that this provision will not be effective.

Section 202 (e) contains a new provision under which the Secretary would have authority to withhold or withdraw any increase in the quota for any foreign country over that provided for such country under the Sugar Act of 1937 upon a finding and notification by the Secretary of State that such country denies fair and equitable treatment to nationals of the United States, its commerce, navigation, or industry.

Section 204 of the bill would change the provision of the present law with respect to the allocation of any Philippine deficit by providing for the allocation of such deficit to Cuba and full-duty countries, with 95 percent of such deficit to go to Cuba and the balance of 5 percent to full-duty countries. Formerly, the entire Philippine deficit was reallocated to full-duty countries. The deficits in the Philippine quota were relatively small prior to the war as compared with expected substantial deficits during the next few years. Section 204 also provides that in the event the quota for Cuba after reallocation of deficits would fall below 28.6 percent, except for the provisions of section 202 (d) described above, the proration to full duty countries would be 1.36 percent instead of 5 percent and the proration to Cuba would be 98.64 percent instead of 95 percent. The Philippine deficit would be prorated on this revised basis before application of the proviso in section 202 (d) for the purpose of maintaining the Cuban quota at not less than 28.6 percent.

Section 206 of the bill would require the establishment of quotas for the calendar year 1948 within the first 10 days of that year. This provision, however, would not preclude the President from suspending such quotas under the provisions of section 409 of the bill if he should find that emergency conditions require their suspension during 1948. Section 206 would have the effect of requiring the President to reexamine the facts underlying his present suspension of sugar quotas under the Sugar Act of 1937 before quotas could be suspended for 1948.

Section 207 of the bill contains a new subsection (g) which provides that the direct-consumption portion of the quotas established under that section shall not be subject to suspension, pursuant to the provisions of section 409, unless the President should find and proclaim that a national economic or other emergency exists with respect to sugar which requires the suspension of the direct-consumption portions of the quota.

Mr. ANDRESEN. Will the Secretary yield on that?

Secretary ANDERSON. Yes, indeed.

Mr. ANDRESEN. The Secretary has the secondary power to suspend quotas?

Secretary ANDERSON. That is right. The actual suspension is made by the President. The studies are generally made by the Secretary, of course.

Mr. PACE. Is it in here by language, or is it in here by reference to the old law?

Secretary ANDERSON. It is in here by language.

Section 301 of the bill deletes certain conditions for payment contained in the Sugar Act of 1937 relating to the payment of fair farm wages, compliance with soil-conservation requirements, and, where the producer is also a processor, payment of fair prices for sugar beets and sugarcane. Since the enactment of the Jones-Costigan Sugar Act of 1934, payments to producers of sugar beets and sugarcane have been conditioned upon their payment of fair and reasonable wage rates established by the Secretary of Agriculture and, where the producer is also a processor, the payment of fair and reasonable prices for sugar beets and sugarcane purchased, as determined by the Secretary of Agriculture. If the bill should be enacted in its present form, the authority of the Department in matters relating to contracts between producers and processors of sugar beets and sugarcane and contracts between laborers and producers of sugar beets and sugarcane would be limited to the issuance of recommendations under the provisions of section 410 of the bill, which is a modified version of section 511 of the Sugar Act of 1937.

Section 403 of the bill is new. Under this section, funds made available for payments to producers could be allotted to local committees and payments made to farmers as soon as compliance with all conditions for payment has been determined. The funds could be deposited in local banks and disbursed at the office of the local county association. Some question exists as to the feasibility of this provision. However, it is requested that the Department be permitted to submit a statement on this point to the committee early next week.

Section 501 (c) of the bill would also amend the Internal Revenue Code to provide for a refund on inventories of manufactured sugar on hand at the time of the termination of the tax on July 1, 1953. The

refund provision would not be applicable to inventories held for sale at retail.

The bill also contains a number of technical and clarifying amendments to the present Sugar Act.

The CHAIRMAN. Mr. Secretary, as I skimmed through the committee print, I did not see provision for the sugar tax.

Is there a provision in the bill for the continuation of the sugar tax?

Secretary ANDERSON. Yes; I am sure there is.

In the committee print it is title V, an amendment to the Internal Revenue Code, page 31 of the committee print.

The CHAIRMAN. That is line 3 on page 32, is it not?

Section 3503—is that it?

Secretary ANDERSON. Section 501 is the salient section. It just continues the tax.

The CHAIRMAN. I was looking for the provision that provides for the continuation of the tax. I wonder if that is line 24?

Secretary ANDERSON. The change in termination date is what really continues it.

The CHAIRMAN. Yes; I see.

Under the present law, we have simply been extending from year to year the termination date of the tax; is that correct?

Secretary ANDERSON. I think we have been extending it for the full period of the extension acts, whatever they have provided; 1 year recently, 3 years earlier than that, and now 5 years under this act.

The CHAIRMAN. Yes.

Mr. GRANGER. Mr. Chairman.

The CHAIRMAN. Mr. Granger.

Mr. GRANGER. As I understand, Mr. Secretary, you do not intend to impose any acreage quotas now; is that right?

Secretary ANDERSON. I think that would be a statement that I would not want to make at this time, Mr. Granger.

If I were asked about it today, I would say that we would not intend to have acreage limitations soon. What the conditions might be at the time when there would be a proper proclamation of imposition of quotas, I do not know.

Mr. GRANGER. I was just wondering this: Suppose there are new areas that come in that produce sugar-beet acreage, and then it becomes necessary to impose acreage quotas, who is going to do that?

Secretary ANDERSON. They will be automatically imposed unless they are suspended by the President. We would know by December for example—which is the time when you know what the beet crop is likely to be—we would know by that time whether there had been such an upturn in domestic and other production that it would be necessary to put on quotas for the next year; and if the size of the beet crop and other crops showed a large sugar production in relation to the consumption estimate, then automatically you would proclaim quotas for the coming year.

I only say to you that in view of the present situation I do not think that we would want to make any commitment, but right now, if I were to answer, I would say that they would not be likely.

Mr. GRANGER. What will be the date of your estimates of the approximate consumption?

Secretary ANDERSON. As I say, I think it would come after the total amount of the present beet or cane production was reasonably well known and that probably would be in December.

Mr. GRANGER. That would be the time when you pretty well know what the production is going to be?

You know that by that time?

Secretary ANDERSON. Yes. Under the present act, for example, that is done in the first 10 days of December, if they are going to be suspended, because you have a full knowledge of the crop by that time.

Mr. GRANGER. Then, did I understand that the matter of this and related things that are carried in the act of 1937 are only going to be a recommendation of the Secretary hereafter?

Secretary ANDERSON. Yes; that is what is provided in this bill. The problem of going out and trying to determine from the standpoint of the Department of Agriculture what is a fair wage scale in every part of the country is an extremely complex one, and we have not been too well satisfied that we have had sufficient information to do a job fairly on it.

The Department as such is not insistent upon this, and I do not know that the domestic producers are.

Mr. GRANGER. Have you ever had to exercise any authority in that regard heretofore?

Secretary ANDERSON. We did it right along; it appeared to me to be more or less a function that had not been fully satisfactory by the mere fact that we do not have a sufficient knowledge of conditions and that the law of supply and demand in agricultural labor changes. There is a great shortage of it in one area at a certain time and no shortage in another place, and thus far we think it is pretty well taken care of.

Mr. GRANGER. There has not been any difficulty between the Secretary and the growers as to that, as a matter of wages, heretofore?

Secretary ANDERSON. No; there has not.

Mr. ANDRESEN. Those provisions are eliminated from this bill, as I understand it.

Secretary ANDERSON. Yes, they are.

Mr. ANDRESEN. So that as far as wages, medical care, and all that, are concerned, that is not part of this program?

Secretary ANDERSON. That is not.

Mr. GRANGER. You can make a recommendation.

Mr. ANDRESEN. The recommendation, of course, is not binding.

Mr. GRANGER. That is what I was trying to say. It is not binding but they can make it.

The CHAIRMAN. Mr. Secretary, I have not had a chance to compare it but as I understand it, the rates of payments to the growers are the same as in the present law.

Secretary ANDERSON. That is right.

The CHAIRMAN. Are there any further questions of the Secretary?

Mr. ANDRESEN. I would like to go into the question of curtailing production. I know it is not anticipated that it would be necessary to limit production but as the Secretary knows, we will have a problem on our hands in certain areas where they are producing wheat at the present time, which land is excellent for sugar-beet production, and the time may come when you may want to improve production on a deficit crop in this country.

Now, do you anticipate that we are going to have a situation of that kind during the 5-year period ahead of us when this bill will be in operation?

Secretary ANDERSON. I recognize that it is a matter of judgment in which I may not be too expert as a witness but I do think that the production of sugar beets is a sort of technical business and that not every farmer wants to get into it and that not every community wants to go into the growing of sugar beets.

In the first place, you have to be close to the processing facilities. We tried for a long time to develop during this war period an extra production of sugar beets in a section of the Imperial Valley of California, where it seemed possible to make an immediate planting at a certain season of the year and get an extra large harvest but we were immediately confronted with a problem of trying to find a place where those beets could be processed. We had to ship them out of the area and it was hot weather and we felt that it was not a good gamble in trying to plant them there.

As a result of that experience and a good many discussions I have come to the conclusion that the sugar-beet acreage is not likely to increase tremendously. It is a costly business to get into and a farmer who does not know how to do it does not generally get into it too greatly, so that I do not think that immediately, at least, there is going to be any necessity for limitations and acreage controls.

If, of course, it does become necessary to do it, the Department would not hesitate at all to put these controls in.

Mr. ANDRESEN. We really should not encourage deficit production in this country, if we have the land to produce a crop which is needed in the United States.

Secretary ANDERSON. That opens a very large field as to whether or not it is desirable as a national policy to put in the very thing that that bill provides, some sort of limitation on the total amount of sugar crop at a very liberal figure in this country and then try to encourage the expansion of sugarcane growing in Cuba. After all, the contract that we made with the Cuban Government a year ago for that year called for the expenditure of roughly \$450,000,000 for Cuban sugar this year but of that \$450,000,000, there come back to the United States a considerable sum for rice, wheat flour, lard, and other products. The Cuban people and the Cuban Government are very large purchasers of our own agricultural produce and it seemed a very desirable arrangement to grow sugarcane in a country that was very naturally adapted to it, where the expansion of the industry could be quick.

If you got to a point where you needed a large production and your own acreage might need to be devoted to something else, and where that country that did the expanding was a large market for our own agricultural products, I do not know whether it is more desirable to grow more sugar beets in the United States or not. I do feel there is some great advantage in growing these excess crops for Cuba. That is a very good market for agricultural products, such as wheat, rice, and lard.

Mr. ANDRESEN. The Secretary knows that quite a few of our sugar-beet plants closed down and are still closed down. I think there are some through Ohio that have stopped production. But I feel that the time will come when we must recognize that we will not be able to

produce and sell 1,400,000,000 bushels of wheat, and I also recognize that in the western areas, where the reclamation projects are being undertaken, new land will be developed that will have large yields, and people will want to plant something in addition to lettuce and some of those garden crops.

Secretary ANDERSON. I think there may be increases in plantings in some areas but I do think the figure carried in this bill is a very fair figure for the next 5 years.

The CHAIRMAN. Mr. Secretary, I want to ask you a question about section 409, which provides for the suspension of the provisions of title II. Now, the present law, as I understand it, authorizes suspension of titles II or III or both.

Secretary ANDERSON. I think now, Mr. Chairman, you are in a technical provision where my answer would not be very good.

What was the question?

The CHAIRMAN. The provision of section 409 of this committee print authorizes the suspension of all the provisions of title II, of the committee print.

Now, under existing law, as I understand it, there is authority for suspending the provisions of both titles II and III. In other words, both quotas and payments.

Secretary ANDERSON. Would you allow Mr. Marshall, the head of the Sugar Branch, to answer the question, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. MARSHALL. Mr. Chairman, the authority to suspend title III has never been used. The Department has no particular objection to the provision as it is or to leaving it in the way it was before. If there should be some occasion on which that title should be suspended, I think the Department would like a little guidance, perhaps, as to under what circumstances it should be suspended, because it never has been before. There has been some question raised about it, as you perhaps remember, last year, in connection with the appropriation for the Sugar Act. There was a question as to whether there should be some clearer authority for suspending title III if the price of sugar should go to some high level.

I think we have no strong feeling on it either way but I believe the Secretary would like a little guidance as to under what kinds of circumstances the Congress might think it should consider suspending the payment.

The CHAIRMAN. My question was simply for information.

Mr. MARSHALL. Yes, I understand.

The CHAIRMAN. We have gone through this bill rather hurriedly and there has been no opportunity to compare it with previous legislation. I simply want to be sure that I understood what the provision was, and what it covered.

Are there any further questions of the Secretary?

Mr. PACE. I have just one question.

The CHAIRMAN. Mr. Pace.

Mr. PACE. Mr. Secretary, this is for information, as I am not too familiar with the methods of acreage allotments and beet-sugar production but on a reading of section 302, which I presume is a re-enactment of the present law, it appears that no such thing as a historical base is used in making allotments, but that that is left entirely up to your determination.

Secretary ANDERSON. I wonder if I could ask Mr. Kemp to answer that. I do not know anything about the specific language or what the drafters had in mind.

Mr. KEMP. Mr. Pace, I think, sir, you should look at section 302 (b), which determines the standards which the Secretary shall take into account in determining the proportionate shares which are acreage allotments; and there you will see that among the standards the Secretary may take into consideration the past production on the farm, the ability to produce, and insofar as practicable—

he shall protect the interests of new producers and small producers and the interests of producers who are cash tenants or share tenants, adherent planters, and share croppers.

Mr. PACE. Yes; I was familiar with that.

Of course, most quota laws do set up certain definite standards to guide the Secretary but it seems here that while those things are elements that he should consider, it is largely a matter of discretion.

Mr. KEMP. I think so, and I think I may say, sir, that there are so many shades of opinion among the industry and there has been so much discussion about this that we more or less made up our minds that it would be impossible to agree upon any precise and specific standards, so that we have felt that we almost had to leave that to the discretion of the Secretary under these broad rules, that the old bill contained.

Mr. PACE. At the same time, the Secretary is going to have to arrive at a standard.

Mr. KEMP. I know it. We hope that he may be able to do a better job than we can among ourselves.

Mr. PACE. I understand this language is acceptable to the producers.

Mr. KEMP. Yes; because no one feels that the language that would suit his particular circumstances and his hopes would be accepted by everyone else, so that there is hardly any alternative.

Mr. PACE. Is this the same language as was used when you did have quotas?

Mr. KEMP. It is identical.

Secretary ANDERSON. May I ask, how did you get along, then, with those quotas? Were you satisfied reasonably well?

Mr. KEMP. It is a very difficult job. In two or three of the areas, they felt that the regulations were pretty fair. In others, individual groups felt that more weight could have been given to one thing than to another.

I think, sir, that everyone still has the option to present to the Secretary the rules and weightings which should be taken into account by him in determining these standards.

The CHAIRMAN. In connection with that, just where does this leave a new grower?

Mr. PACE. That is on page 22, at the bottom.

Secretary ANDERSON. It does say that the Secretary shall take into consideration these factors and shall protect insofar as practical a new grower.

The CHAIRMAN. Is that the same language that we have in the present law?

Secretary ANDERSON. That is the same language.

The CHAIRMAN. Mr. Poage has a question.

Mr. POAGE. I want to ask a question right along the line as to this referendum. There is no provision that I find in the bill for a referendum. You said you have to know by December, I believe, and that is the same date on which we have to hold a cotton referendum.

Secretary ANDERSON. There is no referendum to this.

Mr. POAGE. In other words, the question of whether you are going to have any allotments is purely up to you, and nobody else?

Secretary ANDERSON. In connection with the available supply and the probable consumption.

Mr. POAGE. Yes. Then is there any actual procedure set out as there is in the case of basic commodities?

Secretary ANDERSON. No; because there you fail to get a support price if you do not vote for the referendum and that is not possible under this bill.

Mr. POAGE. There is no penalty here?

Secretary ANDERSON. No.

Mr. POAGE. Of course, there is no determination left in the hands of the producers.

This legislation, then, varies fundamentally from all of our other crop legislation in that there is no pretense of democracy about it. It is purely a matter that Congress must decide and then the Secretary must carry out.

Secretary ANDERSON. That is right.

Mr. POAGE. And then it varies radically from all other crop legislation in that we pay a subsidy to the producer, presumably, I suppose, on the theory that we want to have sugar produced in the United States.

Mr. ANDRESEN. Will the gentleman yield there?

Mr. POAGE. I yield.

Mr. ANDRESEN. That was necessary because the duty was cut on sugar and something had to be done. Otherwise, the sugar-beet growers would be put out of business in the United States.

Mr. POAGE. All right. Then I say presumably we pay this subsidy because it is desirable to have sugar produced in the United States. That is the reason for paying the subsidy; is it not?

Mr. ANDRESEN. Whatever you call it—if you call it a subsidy; I suppose you can call it a subsidy.

Mr. POAGE. I do not know what else I can call it and the reason we pay it is that it is desirable to have sugar grown in the United States.

Secretary ANDERSON. The reason, I presume, for paying that is to pay the growers for cooperating with the legislation and following its provisions.

Mr. POAGE. That is right. But there would be no reason for the United States Government paying a subsidy on sugar produced outside the United States.

Secretary ANDERSON. I still say, I think it is a payment for compliance with the act, for keeping your production in conformity with the allotments that are made.

Mr. POAGE. Of course, that is all any of these payments are. They are for compliance with the act. But surely we are not paying this simply because we want sugar produced somewhere else?

Secretary ANDERSON. No.

Mr. POAGE. We are paying it because we want it to be produced in the United States.

Then we limit the amount that can be produced in the United States.

Secretary ANDERSON. I think it is not precisely defined as a subsidy to produce sugar in the United States. It is a payment for compliance, of living within the act. And that act contemplates the production of sugar in the United States in harmony with production of sugar in various other areas that contribute to the pool, and if they stay within the limit, they receive a payment for it, not necessarily a subsidy for it.

Mr. POAGE. Surely, neither the Appropriations Committee nor this Congress as a whole could be justified in simply taxing the people to raise money——

Secretary ANDERSON. Well——

Mr. POAGE. Oh, yes; you put a tax on sugar. I understand that. And, of course, when I buy sugar, it is part of the cost.

There cannot be any justification that I can see for simply putting a tax on anybody, even if you did not put it on but three people, simply in order to pay somebody because he does a thing that complies with the wording of an act of Congress, unless you are interested in the act itself.

Now, you are saying that the only reason that we are paying this money out is that people go through the rigmarole of doing what the act says.

Basically there must be some reason for the act; basically it is because we want sugar grown in the United States?

Secretary ANDERSON. No; it is because you want sugar grown in the United States in conformity with a pattern and that pattern is that so much shall be produced in the Philippines; so much in Hawaii; so much in Puerto Rico; and so much in Cuba; and so much in beets, and so much in continental cane.

Now, if you stay within that pattern, then there is a payment to the grower.

Mr. POAGE. Yes, if you grow it on the west side of the Methodist Church House and harvest it between 7:30 a. m. and noon, we will pay you; but if it happens to be south of a certain line, we will not pay you.

Secretary ANDERSON. No; it is hard to get a situation like that.

Mr. POAGE. It seems to me that they got these provisions out of somebody's accident insurance policy.

Secretary ANDERSON. I only know that they have been in operation for a long time fairly satisfactorily. I did not write them. I think they have done a reasonably good job in regulating them.

Mr. POAGE. There is no question of that. But I would just like to bring the fundamentals that are involved out in the open and let us discuss them. There are some fundamentals involved here, and they are that sugar growers of the United States want the American market.

Now, that is a thing that I do not see anybody needs apologize about. A lot of other people feel the same way. We just passed legislation here with wool growers, to try and see that they get some American markets, and we did not cover it up even in that case, as much as everybody tried to. We at least admitted that we were trying to give the American producers the American market.

Now, we are trying here to give the American producers of sugar a special payment in order that they can stay in the American market; in order that they can produce sugar in the United States. So far it makes perfect sense, whether you think it wise or not. But then when you come to the point where you say, "Yes, we want to pay you, because we want this sugar grown in the United States," then you turn around in the next paragraph and say, "But if you do what we want, and if you do too much of it, or if you have not been producing sugar in the past, even though you want to produce sugar in the United States, we tell you we will penalize you."

Mr. ANDRESEN. Will the gentleman yield?

Mr. POAGE. I am through.

Mr. ANDRESEN. I simply say that if this act failed to pass we could put sugar under section 22, and the Secretary or the President could do the same thing.

Is that right, Mr. Secretary?

Secretary ANDERSON. I have been taught that I must always consult my lawyer before I answer what goes into section 22.

Mr. HILL. Mr. Chairman, I will say this: We had better have the Sugar Act and put it under section 202 and get into the trouble we did than try to teach the Members of the House what section 202 does or would do for the farmers of America.

We had better have these acts so that we will have a base or foundation to stand on.

Mr. ANDRESEN. Mr. Secretary, the situation is a little different with sugar and the Sugar Act from what it is with other commodities, because the sugar-beet processors contract for acreage, and will take the acreage contracted for.

So if there are farmers who produce sugar beets who do not have a contract, it might be difficult for them to sell their sugar beets if the processing plant could not handle their production. That is correct, is it not?

Secretary ANDERSON. That is very correct.

Mr. HILL. In addition, Mr. Andresen, they not only make a contract with the grower but it is the only crop I know of on which a grower is guaranteed a certain price in a certain place where he will deliver that crop if he plants it.

Now, do you know of any other crop actually of national importance that meets those requirements? I know of none. There may be some minor crops. But the farmer knows when he gets sugar beet seed.

If you ask the farmer where he gets sugar-beet seed, he will tell you. He does not go out in the open market and buy sugar-beet seed. He gets the seed from the companies, and then he knows when he plants that, if he does certain things in the fall, he will get a certain price for his beets if they meet a certain sugar content.

Those are important elements to consider, because sugar certainly does not follow in the same type and line of production as wheat or many other of our great agricultural products.

The CHAIRMAN. Mr. Secretary, we thank you very much for this statement. I think you should also be congratulated for doing what a few weeks ago certainly seemed to be impossible, and that is to work out the details of sugar legislation at the present time.

Secretary ANDERSON. I think I should congratulate the domestic producers principally on their ability to get together.

The CHAIRMAN. I am sure there has been a fine spirit of cooperation all the way around, and I think, as I told you earlier this year when you suggested we should have new legislation, that while I agreed with the idea, I doubted very much whether we would have time to work out the details of that legislation this year.

So I am frank to say I am very much surprised, and very agreeably surprised, that that has been accomplished.

The Chair understands that the various areas and segments of the industry have selected Mr. Kemp to speak for them.

We will be glad to hear from you at this time, Mr. Kemp.

STATEMENT OF FRANK A. KEMP, CHAIRMAN, EXECUTIVE COMMITTEE, AMERICAN SUGAR BEET INDUSTRY POLICY COMMITTEE

Mr. KEMP. Mr. Chairman and gentleman of the committee, my name is Frank A. Kemp. I live in Colorado, and am chairman of the executive committee of the American Sugar Beet Industry Policy Committee.

You will understand the deep sense of responsibility which I feel, because at their request I appear as a single witness on the bill before you on behalf of all five of the great domestic sugar producing and refining groups: Sugarcane growers and processors of the mainland sugarcane States of Louisiana and Florida; the sugar beet growers and processors in the States from Michigan and Ohio to the Pacific coast; the Porto Rican Sugar Producers Association; the Hawaiian Sugar Planters Association; and the United States Cane Sugar Refiners Association, comprising the majority of the refiners of cane sugar in the coastal cities from Massachusetts to Texas.

I can also say, because of the safeguards included in this bill and the experience over the years in which quota legislation has been in effect, that I can appear as well on behalf of the great body of American consumers.

The chairman and other members of this committee have been present at hearings on other sugar bills.

Quota legislation is restrictive; that is the essence of quota legislation. It makes for restriction and limitations upon everyone. And no one likes limitations or restrictions.

In the old days, in the hearings that have been held on sugar legislation before this committee, it seemed incumbent upon all of the groups and all of the segments of the groups to appear here and state their claims and aspirations.

I saw a report of a hearing before this committee in 1937, which I think was 200 pages long, listing the testimony of various people representing the large and small segments of the various American sugar groups. You will appreciate, I know, that the joint endorsement and the common approval of all five competitive sugar groups, taken together with the support and endorsement of this bill recorded here this morning for the administration by the Secretary of Agriculture, is not less than a legislative miracle.

The result as expressed in the draft of the bill before you represents first a real sense of responsibility to the consuming public and an intention that fairness and good judgment both should prevail over the re-

lations among and between all of the areas supplying sugar to the American market.

There is no single American group that feels that the bill fully recognizes its just rights. The bill has been built by a succession of sacrifices of earnest claims, compromises, and surrenders by each interest. To a very considerable extent it has been based on assumptions of future results, which no man can predict accurately.

Yet all are willing to take their risks under the bill. Time alone will tell whether the risks are evenly divided.

Quota control of the sugar industry has been in effect since 1934. It was first enacted at a time when the industry, both here and in the foreign areas supplying our market, was prostrate. It made for stabilization of production and assured ample supplies at prices to the consumers that were below any possible criticism.

The existing legislation expires next December 31.

Three months ago the industry believed that only an extension of the present act was possible. Secretary Anderson has referred to the provision in the Cuban contract, which seemed to give Cuba a right to cancel the sale of their 1947 sugar to this country in the event legislation deemed by Cuba to be detrimental to it was enacted in respect to the future market in this country.

Beyond that, we were, up to relatively few weeks ago, proceeding in a period of recognized short supply, or assumed short supply. Agreement among the groups or with the administration seemed impossible. The Congress was struggling with a heavy legislative schedule.

More recently we have witnessed proof of a substantial increase in sugar supplies for this year and some slowing down in the distribution of sugar in this country. We can anticipate production in 1948 in what you might term the dollar countries of a very large total sugar supply, and it begins to look as if there might not be many dollars in Europe with which to help purchase that production.

Secretary Anderson has told you of his views that legislation should be written this year, and of his insistence that some effort be made to compromise the views of the domestic groups. That this was reached only yesterday in full explains the delay in presenting this bill to you.

Secretary Anderson also pointed out that the present act will not work next year, because, since the time of its enactment, conditions have changed, particularly in respect to the productive capacity and ability of the Philippine industry, so that the provisions in the present act, giving, as they do, the entire Philippine deficit to full-duty countries, do not permit of the reestablishment of quotas that will work.

The most troublesome thing about sugar legislation is the determination of quotas and the division between the various sugar areas of the American market.

When the domestic groups undertook to attempt to solve that, it seemed to them that some new approach was necessary, that if we merely took the old percentage figures in the 1937 act and sought to adjust them in some way to the individual hopes of each group, we would never get any place.

So a completely new approach is included in this bill. It gives to each of the domestic areas a fixed and definite quota in an amount

representing roughly a fairly high level of consumption plus some consideration for the reduction in the Philippine quota resulting from the passage of the Bell bill last year and from some distribution of that reduction among the domestic areas.

In effect, the domestic areas became preferred stockholders in the quota to the extent of the quantity specified for each. Again, in effect, Cuba becomes the common stockholder, taking all of the Philippine deficit and sharing with domestic areas any domestic deficit that results. The Cuban production is on a very high level.

Through giving Cuba the Philippine deficit, with the possibility of high consumption in this country, the thought has been that it will help Cuba to get down to the level of postwar production that will satisfy the fair market for her sugar.

The approach in this bill has been to reenact quota legislation, to provide for the establishment of quotas, but to give the President the precise power that he has under the old act to suspend the quotas if in his judgment quotas should not be applied.

I may also point out to you that not only has the President the right to suspend quotas, but that quotas will work next year without suspension because this bill is so framed that every pound of sugar that can come into this country and may be needed by American consumers can come here under established quotas under this act.

In many other particulars the bill follows the general pattern of the present act. I shall not undertake to review those unless members of the committee would like to ask questions about some particular section.

The bill runs for 5 years.

Mr. Chairman, it is our understanding that the provisions with respect to the tax have become incorporated in the Internal Revenue Code. Hence, it is not necessary to renew them in this act, but merely to provide for a new date of termination.

In respect to the question asked as to why this bill permits only the suspension of title II and not titles II and III, title III concerns payments. Those payments in large part merely equal the tax which is levied upon the sugar produced by the people who receive the payments.

It is an exceedingly difficult thing mechanically to provide for the abatement of the tax. It is levied by this act on the manufacture of sugar. Hence, it is the general view, which I think has been at least accepted by the Department, that payments should not be suspended while taxes upon that sugar are still enacted.

I shall not, in my own outline, presume to go into this bill in any further detail.

Each of the five American producing and refining groups have instructed me to express to you their joint and separate endorsement and approval of the bill, and the hope that, in view of the short period remaining until the end of the session and the accepted need for sugar legislation, it will receive your early and favorable consideration.

The CHAIRMAN. Mr. Cooley has a question, Mr. Kemp.

Mr. COOLEY. Mr. Kemp, what is the amount of the tax on sugar?

Mr. KEMP. Sir, I cannot give you the total. The tax is 50 cents a hundred, raw value.

Mr. COOLEY. Approximately how much raw value?

Mr. KEMP. Could I ask Mr. Marshall?

Mr. MARSHALL. About \$70,000,000.

Mr. KEMP. About \$70,000,000, sir.

Mr. COOLEY. \$70,000,000?

Mr. KEMP. Yes, sir.

Mr. COOLEY. And the amount of that is paid back to the sugar producers in America?

Mr. KEMP. Actually, I think, the Government profits to the extent of about \$15,000,000.

Mr. COOLEY. I have one other question.

What about the Philippine deficit? What does that amount to?

Mr. KEMP. We are not certain as to the time within which the Philippine industry will be rehabilitated. The estimates which have been made by the consular agents of the State Department would suggest that in 1948 the Philippine quota of 952,000 short tons established by the act will be filled only to the extent of 200,000 tons.

Mr. COOLEY. So there is not any likelihood that the Philippine rehabilitation progress will be in any way retarded by this act?

Mr. KEMP. Not one bit. They are guaranteed that amount of sugar that this Congress decided they should have, and the faster they make it the quicker they can ship it.

Mr. PACE. Will the gentleman yield there?

Mr. COOLEY. I yield.

Mr. PACE. As I understand, Cuba will have an opportunity to adjust its production down while the Philippines are having an opportunity to adjust their production up.

Mr. KEMP. To build back; exactly. And we hope that that level will be attained when the Philippine industry has been rehabilitated and Cuba has had an opportunity to get down from this high level of production which she has reached today.

Mr. PACE. Now, what benefit, if any, does the domestic producer—namely, the cane and sugar-beet producer—get from the Philippine shortage?

Mr. KEMP. None. It is all given to Cuba. But we have the preferred right to the quotas stipulated, regardless of consumption. We do not need a deficit unless we overproduce those quotas, and that is for them to do. If they do, you will undoubtedly have them down here again.

Mr. COOLEY. Is Cuba in accord with the provisions of this act?

Mr. KEMP. I cannot answer that, sir. But in your absence, Mr. Cooley, Secretary Anderson said that this was within the approval of Interior, Agriculture, and, I think, State.

Mr. COOLEY. Now, you say, you think State. That is what I am interested in, to know whether or not the State Department will come up with any objections to this bill.

Mr. KEMP. Sir, I am just a beet-sugar man. I think you ought to ask the Secretary.

I think, sir, that I can say to you that State has said to us that this was all right.

Mr. COOLEY. I do not care about asking the Secretary. But I understand that the chairman feels that it is in agreement with the administration, and I guess that includes the State Department.

Mr. PACE. I have one question, Mr. Kemp.

Sitting beside me here is Mr. Rogers, a distinguished Representative from Florida, who is, of course, interested in the welfare of the cane producers of his State. Is it your understanding that this bill is entirely acceptable to the producers of his State?

Mr. KEMP. Mr. Pace, I have heard that there was one group in Florida who did not participate in these long and painful deliberations who would like to know more about this.

I would like to say to Congressman Rogers that the old quota of the mainland cane area has been increased by the largest percentage of any of the domestic groups in this bill.

I think I can almost guarantee that any of the producers of Florida who will study the facts and be aware of the realities will feel that the benefits to be derived from this bill outweigh any possible objections they might have.

Mr. PACE. And they have been given the most substantial increase of any under the bill?

Mr. KEMP. They have, sir.

Mr. ANDRESEN. I have just one question, Mr. Kemp.

You touched on some claim that somebody was making that if sugar legislation was enacted this year the Cubans claim they had a right to cancel their sales contract for the 1947 crop.

Will you elucidate on that a little?

Mr. KEMP. Sir, I do not have a copy of that contract before me. But in the contract under which Commodity Credit Corporation bought the 1947 Cuban crop there was a paragraph to the effect—and I am relying on my memory now—that the Cubans had the option to cancel that contract of sales in the event legislation deemed by Cuba to be unfavorable—

Mr. COOLEY. Detrimental.

Mr. KEMP. Detrimental was enacted during the time of the sale or marketing of that sugar.

Mr. ANDRESEN. You mean, then, simply if the bill was enacted or if quotas of the bill were put into operation for the 1947 crop?

Mr. KEMP. Sir, I do not know the interpretation which the Cubans placed upon that paragraph with the Department of Agriculture. I cannot tell you. But that was the language of the agreement.

Mr. ANDRESEN. You understand, Mr. Kemp, we are interested in getting an abundant supply of sugar into this country not only for this year but also for the years to come.

Mr. KEMP. That is right.

Mr. ANDRESEN. And I certainly would like to know the attitude of the Cubans with reference to this measure.

Mr. KEMP. I think this, Mr. Andresen. It is, at least to us, most encouraging that this bill receives the approval of the Department of State, because I assume—in fact, I know—that they have been in communication with the Cubans.

Now, from the point of view of the domestic interests, I think I may say this, sir, that we are in the sugar business. To the extent that the sugar business is upset or disturbed for any reason, it affects the interests of every one of us.

We approached this on the insistence of the Secretary of Agriculture with a determination to be fair to Cuba. And the complete

approval that has been registered here is the best proof of that that I know of.

Mr. ANDRESEN. You would not regard the proposed bill, as far as Cuba is concerned, to be detrimental to Cuba?

Mr. KEMP. No, sir; I would not.

Mr. ANDRESEN. Or would you regard it as in any manner modifying the act of 1937 so that it would be detrimental?

Mr. KEMP. On the contrary, sir, this bill, at the request of the State Department, contains a provision that if things should work out so that the fixed quotas of the domestic areas would leave Cuba a percentage less than she had under the Sugar Act of 1937, the domestic quotas would be reduced so as to build up Cuba's figure.

Her position under the 1937 act has been maintained in this bill.

Mr. ANDRESEN. I have here a provision contained in the contract. For the benefit of the committee, I would like to read it. I quote from article VIII:

In the event that the United States of America should enact legislation extending, modifying, or supplementing the Sugar Act of 1937 as amended in a manner detrimental to the position of Cuba as a future supplier of sugar to the United States market, then and in that event all provisions of this contract shall at the option of the institutor become null and void as to the portion of the product sold hereunder and undelivered at the time of such cancellation.

For the purpose of this clause a simple 1-year extension of the Sugar Act of 1937 as amended is determined not to be detrimental legislation.

So they have agreed to the 1-year extension.

Mr. KEMP. But as Secretary Anderson pointed out, Mr. Andresen, there was some question as to whether this meant one 1-year extension or two. We have had one.

Mr. FLANNAGAN. Is the Cuban Government in accord with this legislation?

Mr. KEMP. That I cannot say, Mr. Flannagan. I can only say that our Department of State has indicated that in its four corners the bill was satisfactory.

Mr. FLANNAGAN. That is what I understood from the Secretary, too.

Mr. COOLEY. With the safeguards you mentioned a moment ago, Mr. Kemp, there is no way that this bill could be deemed detrimental to the interests of Cuba?

Mr. KEMP. I do not believe so.

Mr. PACE. And the State Department is no doubt in close touch with the Cuban Government?

Mr. KEMP. I would think so, sir.

Mr. FLANNAGAN. Mr. Kemp, I have just one other question.

I understand that you are speaking for the American refiners and producers.

Mr. KEMP. That is correct, sir.

Mr. COOLEY. What is your own company?

Mr. KEMP. The Great Western Sugar Co., beet sugar.

The CHAIRMAN. Mr. Clevenger has a question.

Mr. CLEVINGER. Mr. Kemp, I think most of us would agree that Cuba, lying just off our shore in a geographical position with a short freight haul, would be in a position of advantage in supplying this market.

I am thinking now of the Philippine situation. Just across in her neighborhood is Formosa, with some 1,200,000 tons, I understand, practically wiped out.

If our State Department could facilitate the absorption of this Asiatic deficit in the Philippine area, with a short freight haul, with the same advantage that Cuba possesses here, this might well result in a permanent advantage to Cuba over the years.

Mr. KEMP. Absolutely, sir.

Mr. CLEVINGER. It is not likely, with the present set-up in China, that Formosa is going to be reestablished as a sugar producer, is it?

Mr. KEMP. I doubt it. Mr. Clevenger, I think you have touched on a thing that is very close to the hearts of all the sugar people. Most of us, except for this war period, have lived at a time when there was too much sugar in the American orbit, and our problem has been what to do with it.

We have enviously regarded the great market in the east as a place for the distribution of the Philippine and Javan sugar. Today, the Formosan industry, which used to make nearly 1,000,000 tons, is making nothing.

For the Javan industry, no one knows. But certainly they have produced or shipped nothing in 5 or 6 years.

I think it quite possible that in the postwar period the Philippines may find a market for some or all of the sugar that they export close to home; and if they do, I think that is in the interest of the whole American picture.

Personally I would much rather sugar would come to America from the Caribbean than from way off in Asia.

Mr. CLEVINGER. We might help these two wards of ours, these nations which we created and in which we are vitally interested and are spending millions to improve. We might help both of them in that respect.

Mr. KEMP. Indeed we might, sir.

Mr. CLEVINGER. Thank you.

Mr. COOLEY. For the record, do you know whether Mr. Oxnard is here with you?

Mr. KEMP. I am sure he is, sir.

Mr. OXNARD. I am, sir.

The CHAIRMAN. We thank you very much, Mr. Kemp.

Is Mr. Nido, representing the Farm Bureau Federation in Puerto Rico, present?

Mr. Nido has asked for an opportunity to be heard, and we will hear from him at this time.

Will you state whom you represent, Mr. Nido?

STATEMENT OF PEDRO NIDO, PRESIDENT, COLONO SECTOR, PORTO RICO FARM BUREAU, VICE PRESIDENT, PORTO RICO FARM BUREAU

Mr. NIDO. My name is Pedro Nido. I am vice president of the Porto Rico Farm Bureau and president of the Colono sector of the Farm Bureau. The Colono sector is the independent sugar growers of Puerto Rico.

We have nothing to do with the processors. We are producers of sugarcane.

I wish to express to the chairman and members of the committee that 2 hours ago when I arrived on the plane from Puerto Rico I had no knowledge of this bill, and have had only that period of time in which to read the bill; and I can only express at the moment certain objections to certain specific parts of the bill which I feel are detrimental to Puerto Rico and to the producers of sugarcane of the island of Puerto Rico, which is a Territory of the United States, and a domestic area.

I reserve the right, if such right can be granted to me by the committee, after further study of the proposed bill, to submit a brief in writing to the committee expressing the points of view of the organization which I represent.

Not until 2 days ago did we have knowledge in Puerto Rico that such action was to be taken by Congress. And only yesterday at noon-time through a cable that we received from the Department of Agriculture did we have knowledge that this hearing would take place today.

Therefore, it was quite difficult for me to prepare a written statement, since I did not have a complete knowledge of the facts.

The CHAIRMAN. Mr. Nido, we will be glad to hear from you now, and without objection you may file a written statement at a later date. We would like to have you do it as soon as possible.

Mr. NIDO. Thank you, Mr. Chairman.

The CHAIRMAN. Will you speak a little louder? Some of the members are not able to hear you, Mr. Nido.

Mr. NIDO. I beg your pardon.

Our main objections are to the quotas as they have been established under the proposed bill. We notice that under the present act, taking as a basis the percentage allotted to each domestic area, domestic beets would have 41.27 percent; mainland cane area, 11.31 percent; Hawaii, 25.25 percent; Puerto Rico, 21.48 percent; and Virgin Islands, 0.24 percent.

Under the proposed bill, the domestic beets would have 42.17 percent; the mainland cane area, 11.71 percent; Hawaii, 24.64 percent; Puerto Rico, 21.32 percent, and Virgin Islands, 0.14 percent.

You will see that the domestic areas of Hawaii, Puerto Rico, and the Virgin Islands are being penalized in their proportionate share of the quota on the basis of percentages, if you compare the proposed legislation and the proposed set-up with regard to quotas with the present act.

We are also opposed in this respect. We feel that that discrimination should be corrected in order that all domestic areas will be treated equally and that their original percentages be maintained in the distribution of the quota.

Mr. FLANNAGAN. Will you permit a question?

The bill, as I understand it, does not deal in percentages. It deals in tons.

Mr. NIDO. Pardon me?

Mr. FLANNAGAN. I said the present bill does not deal in percentages, does it?

Mr. NIDO. It does not. But when you calculate the fixed quotas assigned to the different areas under the four million-and-some-odd-tons allocation, the percentages come out arithmetically in this form.

Mr. FLANNAGAN. With your present percentage reduced to tons, how much does that amount to?

Mr. NIDO. It is in the proposed bill.

Mr. FLANNAGAN. You have 910,000 tons under the proposed bill.

Mr. NIDO. Under the proposed bill?

Mr. FLANNAGAN. 910,000 tons.

Mr. NIDO. Under the proposed bill there is a 4,268,000 short tons allocation.

Mr. FLANNAGAN. Now, the bill gives Puerto Rico 910,000 tons.

Mr. NIDO. Yes.

Mr. FLANNAGAN. How much has Puerto Rico got today in tons?

Mr. NIDO. In tons?

Mr. FLANNAGAN. Yes.

Mr. NIDO. You mean, under the present existing bill?

Mr. FLANNAGAN. Under the present law.

Mr. NIDO. It would be 895,555 tons.

Mr. FLANNAGAN. You are getting an increase under the proposed legislation; is that right?

Mr. NIDO. Yes. But it is fixed. That increase maintains an overall average. It is a fixed allocation, whereas on a percentage basis it works out in the other way.

Mr. ANDRESEN. Will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. ANDRESEN. Now, this 910,000 tons is not taking into consideration the 115,000 or 125,000 tons that you use for consumption on the island?

Mr. NIDO. No; it does not.

Mr. ANDRESEN. So that there would be no limitation to the amount of sugar that you could produce on the island for home consumption over and above the 910,000 tons.

Mr. NIDO. There would be the limitation that the Secretary of Agriculture would fix as the quota for local consumption.

Mr. ANDRESEN. This is the amount of sugar that you could ship to the mainland?

Mr. NIDO. Yes; you are right in that.

Mr. ANDRESEN. So that you could produce in excess of that without being penalized for it if it was not shipped to the mainland?

Mr. NIDO. We could produce that 125,000 tons plus the share that we would have in any deficiency in the domestic areas.

Mr. ANDRESEN. Now, that would be pretty close to your production for this year, as I understand.

Mr. NIDO. That would be about 50,000 tons below our this year's production.

Mr. ANDRESEN. What do you estimate this year's production?

Mr. NIDO. 1,075,000 tons.

Mr. ANDRESEN. 1,075,000 tons. You consume about 125,000 tons?

Mr. NIDO. That is our local consumption quota; 125,000 tons for this year.

Mr. ANDRESEN. Have they stopped grinding the sugar?

Mr. NIDO. No. We are still grinding.

Mr. ANDRESEN. You think you can get more this year?

Mr. NIDO. If weather conditions permit and our yields do not come down, we might go over the 1,075,000 tons.

Mr. ANDRESEN. There has been considerable difference of opinion as to whether it was 1,040,000 tons or 1,050,000 tons, and now we are glad to hear you say it may run 1,075,000 tons.

Mr. NIDO. I have the last report as of yesterday, which I brought with me. I can show it to the members of the committee, how it is at present; and we feel that we can reach the 1,075,000 goal this year.

The CHAIRMAN. Mr. Nido, you spoke about the production this year. Is it not true that this year has been the first year in which you have produced more than the quota which is assigned to you under this proposed act?

Mr. NIDO. No; I do not think so. I have my figures in my brief case. I think that Puerto Rico has in several cases produced more than 1,000,000 tons of sugar. I know for a fact that we have. As a matter of fact, we produced over 1,100,000 tons on one occasion.

The CHAIRMAN. I am looking at some figures here which are contained in a report on the sugar situation by a subcommittee of the Committee on Agriculture, which indicates the total production for Puerto Rico, which I assume is the amount which you consume domestically as well as the amount that you exported, is as follows:

For the 1930-34 period, a total of 894,000. That is the average.

For the 1935-39 period, the average was 974,000.

For 1943, it was 723,000.

For 1944, it was 964,000.

For 1945, it was 910,000.

And these figures have an estimated amount for 1946 of 1,000,000.

Now, you say it was more than that.

Mr. NIDO. Yes. In 1934, we produced 1,104,000; in 1938 we produced 1,077,000 tons; in 1940 we produced 1,019,000 tons; in 1942 we produced 1,146,000 tons; and in 1943 we produced 1,039,000 tons.

Then the war came.

The CHAIRMAN. Yes.

Mr. NIDO. And we became an armed camp, with the construction of Roosevelt roads and different Army and Navy establishments which took up a lot of our available labor. We were glad to contribute, and we would be willing to do that any time the country would need us, because we are American citizens.

The CHAIRMAN. The figures which you have given, of course, include the total production.

Mr. NIDO. Yes. That is the production of Puerto Rico.

The CHAIRMAN. While the figures certainly exceeded the amount of your quota, I believe that the figures which I have just read here indicate that the average over this period of years, from 1930 up to date, would be less than your quota.

Mr. NIDO. Don't you think, Mr. Chairman, that it would be unjust to include the war years within the average?

The CHAIRMAN. Of course, we are using the war years for all areas.

I do not want to belabor the point. But for the period from 1930 to 1934, which, of course, were not war years, the average was 894,000; for the period 1935-39, which we assume would be normal years, it was 974,000 tons.

Now, if you deduct your domestic consumption in those 2 years your production was considerably less than the quota which is given to you under this bill.

Mr. NIDO. Mr. Chairman, going on with the proposed bill——

Mr. FLANNAGAN. Before you go any further, I would like to ask this:

The CHAIRMAN. Mr. Flannagan has a question.

Mr. FLANNAGAN. The Interior Department has approved this legislation?

Mr. NIDO. That is what I have heard here today. As I say, I had no knowledge of the bill nor anything until I arrived this morning.

Mr. FLANNAGAN. The Interior Department is supposed to look out for the interests of Puerto Rico?

Mr. NIDO. Yes; it is supposed to look out for them.

The CHAIRMAN. You may proceed, Mr. Nido.

Mr. Goff. There is just one question I would like to ask to be sure that I understand it.

In other words, your contention, Mr. Nido, is that the figure of 910,000 is an unfair fixed figure because it is based on what is not actually a normal production for Puerto Rico?

Mr. NIDO. I agree with you on that, Mr. Goff.

Going on with the bill, if I may continue, Mr. Chairman, I notice that in title III, section 301, the condition of payment provisions has been deleted from the present act, subsection (d), which requires producers who are also processors to pay fair prices for beets or cane.

Now, on the same point, for the growers of sugarcane, we must strenuously object to the elimination of that subsection from title III in section 301. That is the only protection given within the act to the farmers for adequate treatment by the processors and an adequate fair price for the product.

I feel on behalf of the sugarcane growers of Puerto Rico that such provision should be maintained in the new act.

Mr. ANDRESEN. Let me ask you this, Mr. Nido.

I have read about the breaking up of these sugar plantations that are owned by the processors.

Is that going on, so that some of those sugar plantations are being broken up and sold to actual farmers?

Mr. NIDO. Under the law they are being converted into proportionate-share farms, rather than sold direct to the farmers.

There is a provision in the law whereby those lands could be sold to farmers, whereas, as a matter of fact, the majority of those lands—and I think Dr. Fernós-Isern would be more qualified to answer that question than myself—are being converted into proportionate-share farms.

Mr. COOLEY. What do you mean by proportionate-share farms?

Mr. NIDO. They are being operated as large units for the benefit of the workers.

Mr. ANDRESEN. That is, for the benefit of the farmers?

Mr. NIDO. For the farmers, or the workers.

Mr. COOLEY. Is that what you call a communal farm?

Mr. NIDO. It is more or less on the line of a communal farm.

Mr. COOLEY. It is getting close to it, is it not?

Mr. NIDO. Very close to it.

Mr. FERNÓS-ISERN. I may explain that this land has been purchased by the government as a result of the fact that the law of Con-

gress of 1900 limiting corporation land ownership is being enforced; and therefore the land had to be sold if they had in excess of the legal limitation.

So this land has been purchased. And instead of dividing it up in small farms, which would be uneconomical in the case of sugarcane, they are kept in large units, and the very people who would then be the owners of the small patches work on the farm on a cooperative basis.

So it is only a combination of two ideas, the idea to divide the land instead of having it concentrated in the hands of a few corporations and at the same time take the benefit of the economy principle that you get better yields when you operate land on a larger scale.

Mr. CLEVENGER. Mr. Chairman, to paraphrase the familiar quotation, it seems that instead of Kilroy's having been there, Tugwell was there.

Mr. COOLEY. Doctor, what is the difference between having it operated by the big corporations and operated by the government?

Mr. FERNÓS-ISERN. It is not exactly operated by the government; the government through an agency helps these groups to operate. But the government will get its money back.

Mr. COOLEY. The government purchased the land, and owns it, and finances the operation?

Mr. FERNÓS-ISERN. It finances the operation to start with, but in the long run it is supposed to get the money back.

Mr. POAGE. That is the way it is done in the Volga Valley.

Mr. FERNÓS-ISERN. I do not know, sir.

Mr. POAGE. That is the way it is done in the U. S. S. R. The Government owns the land and divides up among the farmers what they make. Is that what they do under this law?

Mr. FERNÓS-ISERN. This is what they do: During the season they get wages on the work they do. At the end of the year, if there are any profits, they share in them.

Mr. COOLEY. They participate in the profits.

Mr. POAGE. Do they ever make any profits?

Mr. FERNÓS-ISERN. Yes. And if there are any profits, those who have been working there will get their part of the profits.

Mr. ANDRESEN. May I ask there, are these people who do the work and get the profits considered to be farmers or workers?

Mr. FERNÓS-ISERN. They are farmers who work their land.

Mr. ANDRESEN. Let me ask Mr. Nido, what is the idea on that? Do you regard them as fellow farmers?

Mr. NIDO. We do not.

Mr. ANDRESEN. How much of the sugarcane land in Puerto Rico is handled in this manner?

Mr. NIDO. I think around 20,000 acres, more or less.

Mr. FERNÓS-ISERN. It is only a certain section of the island. That is just a spot on the northern coast of the island.

Mr. NIDO. With the latest requirements of the Sojago Sugar Co., I would say it would be about 10 percent of the total cane area of Puerto Rico.

Mr. POAGE. What government is acquiring that land? Is that the Government of the United States or the government of Puerto Rico that is acquiring that?

Mr. NIDO. I beg your pardon?

Mr. POAGE. Everybody spoke here generally about the "government's" buying the land. Is that the United States of America or is that Puerto Rico that is buying that land?

Mr. NIDO. That is the insular government.

Mr. FERNÓS-ISERN. If I may, the law limiting corporations to 500 acres is a law of Congress.

Mr. POAGE. I understand that.

Mr. FERNÓS-ISERN. The law taking care of the problem, this law was passed by the insular government.

Mr. POAGE. Yes. But I do not understand how the fact that you have a limitation on the amount of land that a corporation can own requires the government to acquire ownership.

The State of Texas has provisions against corporations owning land for certain purposes. Certain corporations can own it for certain purposes, and certain others can own any land only for a limited time. Now, if they get it, certain corporations have to dispose of the land within a certain time, such as insurance companies. But that is no reason in the world why the State has to take the land over.

All that they have to do is to sell it to some owner that has a right to hold title. I do not understand why the government of Puerto Rico has to own this land simply because the corporation cannot own it.

Wouldn't individual members of the Farm Bureau buy that land?

Mr. FERNÓS-ISERN. If they would be given a chance to buy it by the government. •

Mr. POAGE. Why does the government have to buy that land to enforce the law against the corporations?

Mr. COOLEY. The government does not have to do it. They just did that after the act of Congress.

Mr. FERNÓS-ISERN. There is a situation in Puerto Rico which is antipodal to that in Texas. Puerto Rico has 3,500 square miles for 2,000,000 people. So although private ownership of land in Puerto Rico is not limited by any statute, it is evident that it would not be in the interest of the people there if the land is all owned by 1 person, 2 persons, or 10 persons.

Mr. POAGE. That is right.

Mr. FERNÓS-ISERN. The more people that have a share in the land, the better for the economy of the island.

Mr. POAGE. This theory that a man is free because he works for the government and is a slave because he works for some other individual or corporation never did appeal to me.

A man is no more free because he is a government employee than because he is working for somebody else.

Mr. FERNÓS-ISERN. I say, we do not understand that they are working for the government. They are working for themselves.

Mr. POAGE. You let him buy his land and own it himself and be a member of the Farm Bureau, and I will look on him as working for himself.

The CHAIRMAN. The Chair suggests that we are getting into a field now over which this committee has no jurisdiction. Another committee of the House does have jurisdiction. So let us proceed with your statement, Mr. Nido.

Mr. NIDO. I will close now, subject, of course, to my being allowed to submit a brief after I have read more carefully the proposed bill.

The CHAIRMAN. You may file a written statement, after you have had time to study the bill.

There have been submitted to the Chair statements by the United States Cuban Sugar Council, which they have asked to have incorporated into the record at this point; also a statement by the American Chamber of Commerce in Cuba; a statement by Mr. F. A. Staples, president of the Hershey Corp., also a statement by the American Bakers Association.

Without objection those statements will go in the record at this point. (The statements referred to are as follows:)

STATEMENT BY UNITED STATES CUBAN SUGAR COUNCIL¹

To the Committee on Agriculture of the House of Representatives, United States Congress:

The United States Cuban Sugar Council, formed early in 1946, is composed of companies (listed at the end hereof) owning or operating sugar properties in Cuba, whose stockholders are predominantly United States citizens. These companies account for about half of Cuba's total annual sugar production.

I. RECOMMENDATION: EXTENSION OF THE SUGAR ACT OF 1937, AS AMENDED, AND REVISION OF QUOTAS

The council supports the recommendation made by the Secretary of Agriculture Clinton P. Anderson early in May for immediate consideration of revision of the Sugar Act of 1937, as amended, particularly with regard to the quota provisions. Those quota provisions failed utterly to assure consumers in the United States an adequate supply of sugar during the war emergency and consequently had to be suspended early in 1942. While they are not now operative, they will be reimposed January 1, 1948, under the terms of the pending bill. The defect in the quota system in its present form which was largely responsible for the sugar shortage in this country during the war was its severe limitation on Cuban sugar. It would be detrimental to United States consumers and United States trade with Cuba to revise the existing quotas without curing the inherent defects.

Should any quotas approximating those provided in the existing Sugar Act again become operative, the amount of sugar which producers in Cuba would be permitted to supply to the United States consumers would be grossly below their demonstrated capacity and willingness to furnish sugar to the United States market at reasonable prices. The proposed quota system would penalize Cuba in spite of its performance record during the 6 years of emergency, when it sold its sugar to the United States at prices far below the free market.

The council therefore suggests that the following changes in H. R. — now before the committee are vital:

(a) That the provision in the pending bill which would compel the Secretary of Agriculture to make an annual estimate of sugar consumption in the United States in such a way as to bring about higher prices for sugar be deleted and that there be no change in section 201 of the existing act.

(b) That the combined fixed quotas for the domestic areas of 4,268,000 short tons, raw value, proposed in the bill are excessive.

(c) That the proposed bill be changed to permit Cuba to supply any deficit in any year in any domestic supplying area without regard to the estimated consumption figure for that year.

(d) That the extension of the Sugar Act of 1937, as amended, proposed in this bill, be for a period of 10 years instead of 5 years, provided a realistic quota system is established.

¹The United States Cuban Sugar Council, New York, N. Y., is registered under the Foreign Agents Registration Act of 1938 with the Department of Justice, Washington, D. C., as agent of a group of companies owning or operating sugar properties in Cuba, the stockholders of which are predominantly United States citizens. Copies of the registration statement and of this material are filed at the Department of Justice. Registration does not indicate approval by the United States Government of this material.

II. PROPOSED QUOTAS FOR DOMESTIC AREAS ARE EXCESSIVE

The proposed fixed quotas totaling 4,268,000 tons for all domestic areas, together with the Philippine quota of 952,000 tons and an estimated quota for foreign countries other than Cuba and the Philippines of 30,000 tons, would leave for Cuba a quota of only 2,250,000 tons, assuming an estimated consumption in any year for the United States of 7,500,000 tons. Because of the possibility of a deficit in the quota for the Philippines and the domestic areas, Cuba might actually be allowed to send a larger amount of sugar than this to the United States with a consumption of 7,500,000 tons, but the basic allowance would be only 2,250,000 tons.

During the period 1902 through 1946, except for the years 1931 through 1941 and 1943 when the amount of sugar Cuba was permitted to send to the United States was restricted by very high tariffs, quotas or other means, the average amount of sugar from Cuba contributed to the United States market was 2,365,000 tons. During the same period the average contribution of all the domestic areas combined was only 2,180,000 tons.

The maximum contributions of sugar supplied in any 1 year by each of the domestic areas to the United States market amount to a total of 4,586,000 tons. These amounts were not supplied in the same year from each of the areas. The proposed quotas for the domestic areas are only 6.9 percent less than this maximum.

Prior to the current crop, the maximum contribution to the United States consumption of sugar made in any 1 year by sugar from Cuba was 4,373,000 tons. Cuba's basic participation in the United States market when consumption is 7,500,000 tons is only 2,250,000 tons, or 51.8 percent of the maximum.

It is apparent from these figures that the proposed quota arrangement would enable the domestic areas to furnish to the United States market a quantity of sugar substantially equal to the all-time maximum ever supplied in any 1 year by each domestic area, and more than the domestic areas as a whole ever supplied in any 1 year. In contrast to this, Cuba's basic contribution would be approximately one-half her maximum contribution to this market.

III. UNITED STATES CONSUMERS NEED INCREASED QUOTA OF SUGAR PRODUCED IN CUBA FOR THEIR PROTECTION

In both World War emergencies the people of the United States have suffered serious and prolonged sugar shortages. Twice in one generation producers of sugar in Cuba have been called upon to expand their output because Cuba was the only major supplier of the United States market that could and did substantially increase its output. Production in the principal areas supplying the United States with sugar from 1910 to 1947 is shown in table A, appended. In the 5 years 1916 through 1920, the output of sugar in Cuba totaled 19,757,000 short tons as compared with 12,510,000 tons in the preceding 5-year period, an increase of 51.1 percent.

During the 6-year period 1942 through 1947, approximately 28,000,000 tons were produced in Cuba as compared with 18,648,000 tons during the previous 6-year period, an increase of 50.2 percent. Practically all this sugar was, at the request of the United States, sold to this country; and some part of it was assigned by this country to its allies. There is no need to emphasize the vital importance to the United States of this preeminent source of sugar supply.

Despite the prolonged and severe shortage of sugar during World War II, and heavy subsidies paid out of Federal funds to producers of cane and sugar beets in the United States mainland and insular areas, the continental areas and the American islands were unable to expand production. Indeed, their gross output decreased; and the decline in some cases, particularly the domestic beet area, was over 42 percent in the crop year beginning October 1, 1943.

Sugar from Cuba, in addition to averting an even more serious shortage of sugar in the United States and allied countries, reached consumers here at prices substantially below those in most other parts of the world.

Cuban sugar also cost consumer taxpayers in the United States less than did sugar produced in domestic areas. The market price paid by consumers was approximately the same regardless of the source of the sugar. Producers in this country, however, received subsidies from the United States Government in addition to the sales price of the sugar. The cost of these subsidies was a direct burden on the taxpayers and consequently constituted an increase in the cost of domestic sugar. In contrast, sugar from Cuba is subject to a tariff of 75 cents

per hundred pounds on entry into the United States and is also subject to an excise tax of 50 cents per hundred pounds. Money collected from these sources goes to the United States Government and consequently relieves the taxpayers of that much burden. As a result, the net cost to United States consumer taxpayers of sugar from Cuba is less than the market price while the net cost of sugar produced in domestic areas is more than the market price.

IV. 1937 SUGAR ACT QUOTAS FAILED TO MEET WAR NEEDS AND LARGER DOMESTIC QUOTAS WOULD BE EVEN MORE DEFECTIVE NOW

Early in 1942, when the United States had been actively engaged in World War II only a few months, the fundamental defects of the 1937 Sugar Act quotas became apparent and quotas were forthwith abandoned for the duration of the war emergency. The principal effect of abandoning quotas was to permit producers of sugar in Cuba to make available to the United States, as purchaser, in excess of 4,000,000 tons of Cuban sugar per year as compared with approximately 2,000,000 tons which would have been permitted entry here had those quotas been in effect. While not all the Cuban sugar so purchased by the United State was consumed here, because our Government made part of it available to the Allies, the unfortunate decrease in production in domestic areas and the greatly expanded needs for sugar for war purposes made the increased quantity of sugar from Cuba even more vitally important to this country. The United States actually retained and consumed much the greater part of the Cuban crops.

The fixed quotas of the proposed bill would subject the United States to a repetition of the hazard it faced in 1942. Sugar producers in Cuba would be compelled to reduce the acreage in sugarcane because they would lack a sufficient assured market in the United States, and might not be able to fill possible deficits incurred in the domestic areas and the Philippines. In addition, the real cost of sugar to the United States would be higher partly because of the subsidies paid to domestic producers of sugarcane and sugar beets and partly because of the tariff protection of 75 cents per hundred pounds of Cuban sugar received by the domestic industry.

With the exception of the periods when effectively prevented from doing so by excessive United States tariffs or by quotas or other restrictions, Cuba has supplied annually an average of about 50 percent of all the sugar available to housewives and industrial users in this country.

At the end of World War I the tariff on Cuban sugar amounted to \$1 per hundred. This was increased to \$1.60 per 100 pounds in 1921 under the Emergency Tariff Act, with further increases to \$1.76 in 1922 under the Fordney-McCumber Tariff Act, and to \$2 in 1930 under the Hawley-Smoot Tariff Act.

The cumulative effect of these tariff increases is indicated by the decrease in Cuban sugar shipments to the United States from an annual average of between 3,000,000 and 4,000,000 tons in the period 1926-29 to approximately 1,500,000 tons in 1933.

The United States adopted the quota system in 1934. The quotas were based on the years 1931 through 1933, the highest period basis for the domestic industry, but the lowest 3-year basis for Cuban sugar, giving Cuba merely a 28.6 percent share of the United States market, and thereby leaving a large part of Cuban sugar production capacity unutilized.

In the face of this treatment, the Cuban sugar industry kept substantially intact its milling capacity of some 6,000,000 tons per year. Naturally, however, the cane supply could not be maintained at that level without an assured market.

Immediately after the outbreak of World War II defects in the quotas became apparent and quotas were forthwith suspended by the United States. In the negotiations for the sale of its crops, Cuba evidenced concern that its industry should not again be treated as it was after World War I and that it should not be limited to the 28.6 percent share of the United States market allotted to it under the United States Sugar Act of 1937, which continued, with some modifications in favor of domestic areas, the quotas originally adopted in 1934.

An adequate flow of Cuban sugar into the United States market is essential to assure a continuing supply of sugar for United States consumers at reasonable prices.

It would discourage and defeat this objective if the United States should enact or extend legislation that would reduce the market here for sugar from Cuba so as to contract the cane supply again to a point below that to which the mills can promptly increase to full-capacity production.

V. TWO CABINET MEMBERS MOST DIRECTLY CONCERNED WITH SUGAR LEGISLATION
URGE INCREASE IN CUBAN QUOTA

The Secretaries of Agriculture and of State, the two departments of the United States Government most directly concerned with sugar legislation, have recommended that sugar quotas be revised to increase the quota for producers of sugar in Cuba. The record not only supports these recommendations, but indicates that the long-term interest of the United States consumer will be best served by a substantial increase.

Secretary of Agriculture Anderson recently sent to the Speaker of the House and the President of the Senate a letter in which he said in part:

"In view of the changes in the world pattern of sugar production during the war years, I am sure the committee will wish to explore this problem thoroughly. A careful study of changes in the contribution to the United States market as well as to the world market by the various producing areas will be desirable.

"The most significant change insofar as this country is concerned has been the increase in Cuban production of sugar which has contributed greatly to our supply during and since the war * * * I feel that the contribution made by Cuba to our supplies of sugar, which were critically short, obligates this Government to reconsider the quota structure with a view to a percentage increase for Cuba."

Secretary of State George C. Marshall in February sent to Senator Arthur H. Vandenberg, chairman of the Senate Foreign Relations Committee, a list of 27 urgent proposals including a specific recommendation for an increased sugar quota for Cuba.

As a nation the United States has enunciated a policy of encouraging foreign trade through lowering trade barriers. By increasing the Cuban sugar quota this policy can be furthered and the long-term interests of the United States consumers protected.

VI. UNITED STATES TRADE WITH CUBA DEPENDS UPON ITS IMPORTS OF CUBAN SUGAR

The sugar industry is the backbone of Cuba's economy and the extent of Cuba's ability to buy goods produced in the United States depends directly upon the extent to which this country permits Cuba to supply sugar to United States housewives and industrial consumers.

Over the years, Cuba has been a leading market for United States rice, flour, cotton goods, meat products, machinery and vehicles, and other products, United States Department of Commerce records show.

Sales to Cuba of machinery and vehicles produced in the United States during the 20-year period 1927-46 totaled more than \$261,000,000.

Cuban purchases of cotton goods manufactured in the United States in the 20-year period 1927-46 amounted to more than \$190,000,000 or more than 9 percent of all such products this country sold abroad.

In the 14 years before World War II, 1927 through 1940, Cuba's average annual purchases amounted to about 14 percent of all the manufactured cotton goods exported by the United States.

United States mills sold almost \$131,000,000 worth of wheat flour to Cuba during the 1927-46 period. The vital need of sizable export markets such as Cuba for flour produced from the wheat grown in Kansas, Nebraska, Oklahoma, Washington, Minnesota, the Dakotas, and other States is underscored in the United States Department of Agriculture's recent report that conditions on May 1 indicated a record-breaking 1947 wheat crop of about 1,409,000,000 bushels, about double the prewar average.

Exclusive of all other products, the meat-packing industry in the United States sold nearly \$130,000,000 worth of lard to Cuba in the 1927-46 period. On a per capita basis, Cuba has been, over the years, one of the leading customers of the farmers in such States as Iowa, Illinois, Indiana, and Missouri, which are the largest producers of hogs.

In the period 1934-45, following the signing of a reciprocal-trade treaty in 1934 in which Cuba granted special concession on the importation of United States rice, Cuba bought \$127,933,000 worth of rice and rice products from this country. Cuba's purchases were more than 70 percent of all the rice exported by the United States in this period. United States exports of rice have averaged about one-fourth of the production.

The United States has been exporting goods and services during the first 4 months of 1947 at the rate of about \$15,000,000,000 a year, exclusive of relief, lend-lease, and the sale of surplus war materials. Imports for the same period have been at the rate of nearly \$6,000,000,000 a year. Exports thus are exceeding imports at the rate of about \$9,000,000,000.

Until World War I, while the United States was still a debtor nation, an excess of exports over imports was held to be a "favorable" balance of trade. Now that the United States is a creditor nation, an excess of exports over imports means merely that the countries receiving the excess imports are becoming more and more indebted to this country. In the long run, such excess of exports over imports means that the United States is shipping its wealth abroad at an unprecedented rate without an equal return in goods and services. This has been one of the factors responsible for the inflow of gold to the United States, but the countries receiving United States exports are running out of gold.

The current high level of exports of goods from the United States would be highly beneficial to the economy of the country if the nations receiving goods were able to pay for them by greatly increased exports to the United States. Prospects for this in the case of many countries crippled by war appear remote. In contrast, the excess of imports from Cuba over the value of our exports to that country makes our trade with Cuba highly desirable.

Increased exports to Cuba, even above the present levels, are entirely possible provided the United States maintains or increases its imports of sugar from Cuba.

VII. REDUCTION IN UNITED STATES TARIFF ON SUGAR FROM CUBA URGED AS ANOTHER STEP TO BENEFIT CONSUMERS IN UNITED STATES

Another important step which would be beneficial to the United States trade with Cuba would be a reduction in the tariff imposed on the importation of Cuban sugar into the United States. The present United States tariff on Cuban sugar is 75 cents per hundred pounds, raw value.

Under the 1937 Sugar Act all sugar consumed in the United States must pay a processing (excise) tax equivalent to 50 cents per hundred pounds of raw sugar. This tax is collected from refiners in the United States and from importers of refined sugar into this country. Under normal conditions the burden of this tax on Cuban sugar is borne by the Cuban producer. Thus, the effective United States tariff on Cuban sugar is the 75-cent rate, plus the 50-cent excise tax, or a total of \$1.25 per hundred pounds.

The council, in a statement submitted to the Committee on Reciprocity Information, December 19, 1946, and in a supplementary statement early this year, advocated a 50-percent reduction in the 75-cent-tariff rate which actually would mean only a 30-percent reduction in the effective tariff of \$1.25.

Reduction of the tariff would bring about availability of sugar to United States consumers at lower prices, or would increase Cuba's purchasing power for United States products, either of which results would be beneficial to this country as a whole. Eventual elimination of the tariff would increase either of these benefits.

VIII. UNITED STATES INVESTMENTS IN CUBA ARE ITS SECOND LARGEST IN THE WORLD

People in the United States had larger investments in Cuba than in any other country in the world except Canada at the outbreak of World War II.

The latest available compilation by the United States Department of Commerce of direct investments abroad by United States citizens shows that this country's stake in Cuba amounted to \$560,000,000 in 1940. This was about 8 percent of the grand total of United States direct investments throughout the world.

Nearly half of this country's total investment in Cuba was in agricultural enterprise, amounting to \$241,000,000, the bulk of it in sugar.

IX. UNITED STATES SECURITY WILL BE SAFEGUARDED BY INCREASED CUBAN SUGAR QUOTA

Sugar was an essential war commodity during World War II. Not only was it necessary as a food for military forces and civilians without which the efficiency of the country would have been greatly lowered but it was a raw material for many other products needed in the war effort.

The United States can take a long step toward permanent protection of its sugar supply by permitting the producers of sugar in Cuba to supply in the postwar period an amount of sugar comparable to that made available during the war emergencies.

By such action this country will enable producers of sugar in Cuba to maintain sufficient facilities there so that they can supply the amount required by the United States whenever an emergency arises.

In conclusion the council calls attention of the committee to the fact that, although sugar produced in Cuba constitutes the largest source of supply for the United States market, the pending bill was drafted by representatives of the domestic industry. Had producers in Cuba participated in the drafting of the bill, provisions in line with the recommendations herein as well as others in the interests of consumers in the United States and in recognition of Cuba's record as their major reliance both in war emergencies and in peacetime, when permitted by United States laws, would have been proposed.

Respectfully submitted by United States Cuban Sugar Council.

Members of the council: Caribbean Sugar Co., Central Hormiguero Sugar Co., Central Violeta Sugar Co., Compania Cubana, Cuban Atlantic Sugar Co., Guantamano Sugar Co., Manati Sugar Co., New Niquero Sugar Co., Punta Alegre Sugar Corp., Tanamo Sugar Co., The American Sugar Refining Co., The Cuban-American Sugar Co., The Francisco Sugar Co., Tuinucu Sugar Co., United Fruit Co., Vertientes-Camaguey Sugar Co.

Dated: JUNE 21, 1947.

TABLE 'A

SUGAR (RAW VALUE): ESTIMATED WORLD PRODUCTION AND PRODUCTION IN PRINCIPAL AREAS SUPPLYING THE UNITED STATES WITH SUGAR, 1910-46

[NOTE.—Not all of the sugar produced in these areas was consumed in the United States. Figures from The World Sugar Situation, August 1946, U. S. Department of Agriculture (short tons)]

Year	Production in principal areas supplying the United States with sugar				Percentage production in principal areas supplying the United States with sugar													
	World production	Total	Cuba		Continental United States		Hawaii	Puerto Rico	Virgin Islands	Philippines	Total	Cuba	Continental United States		Hawaii	Puerto Rico	Virgin Islands	Philippines
			Cane	Beet	Cane	Beet												
1910.....	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1910.....	16,800	3,982	2,049	332	548	530	347	8	168	100.0	51.5	8.3	13.8	13.3	8.7	0.2	4.2	4.2
1911.....	19,003	3,774	1,685	335	546	582	350	7	269	100.0	44.6	8.9	14.5	15.4	9.3	.2	7.1	7.1
1912.....	17,686	4,420	2,153	361	641	608	371	5	281	100.0	48.7	8.2	14.5	13.7	8.4	.1	6.4	6.4
1913.....	20,549	4,966	2,758	163	741	557	398	4	345	100.0	55.5	3.3	14.9	11.2	8.0	.1	7.0	7.0
1914.....	20,039	5,424	2,951	300	785	624	352	4	408	100.0	54.4	5.5	14.5	11.5	6.5	.1	7.5	7.5
1915.....	20,712	5,405	2,963	247	773	651	347	3	421	100.0	54.8	4.6	14.4	12.1	6.2	.1	7.8	7.8
1916.....	19,134	6,028	3,446	139	935	597	484	15	412	100.0	57.1	2.3	15.5	9.9	8.0	.2	7.0	7.0
1917.....	18,831	6,249	3,469	311	878	655	503	8	425	100.0	55.5	5.0	14.1	10.5	8.0	.1	6.8	6.8
1918.....	20,160	6,526	3,945	246	819	582	454	6	474	100.0	60.4	3.8	12.5	8.9	7.0	.1	7.3	7.3
1919.....	18,086	7,129	4,554	255	814	607	406	10	453	100.0	63.9	4.0	11.4	8.5	5.7	.1	6.4	6.4
1920.....	18,106	6,670	4,243	125	777	561	485	13	466	100.0	63.6	1.9	11.6	8.4	7.3	.2	7.0	7.0
1921.....	19,721	7,444	4,469	180	1,165	546	490	5	589	100.0	60.0	2.4	15.7	7.3	6.6	.1	7.9	7.9
1922.....	20,917	7,569	4,581	334	1,091	619	405	6	533	100.0	60.5	4.4	14.4	8.2	5.4	.1	7.0	7.0
1923.....	20,954	6,576	4,141	302	722	554	379	2	476	100.0	63.0	4.6	11.0	8.4	5.8	(1)	7.2	7.2
1924.....	23,101	7,477	4,671	168	943	716	448	2	529	100.0	62.5	2.2	12.6	9.6	6.0	(1)	7.1	7.1
1925.....	27,225	9,381	5,804	90	1,166	781	660	11	779	100.0	62.9	1.0	12.4	8.3	7.0	.1	8.3	8.3
1926.....	28,048	8,743	5,602	142	977	805	603	6	608	100.0	61.0	1.6	11.2	9.2	6.9	.1	7.0	7.0
1927.....	27,333	8,364	5,121	48	960	832	629	7	767	100.0	61.2	.6	11.5	9.9	7.5	.1	9.2	9.2
1928.....	29,531	8,321	4,591	72	1,170	921	748	11	808	100.0	55.1	.9	14.1	11.1	9.0	.1	9.7	9.7
1929.....	31,140	9,576	5,856	136	1,135	925	587	3	934	100.0	61.2	1.4	11.9	9.7	6.1	(1)	9.7	9.7
1930.....	31,042	9,408	5,305	218	1,089	940	866	6	984	100.0	56.4	2.3	11.6	10.0	9.2	.1	10.4	10.4
1931.....	32,405	7,814	3,545	215	1,293	1,018	783	2	958	100.0	45.4	2.8	16.5	13.0	10.0	(1)	12.3	12.3
1932.....	29,829	7,606	2,956	184	1,137	1,057	993	4	1,175	100.0	38.9	2.4	16.3	13.9	13.0	.1	15.4	15.4
1933.....	27,542	7,210	2,266	265	1,452	1,064	816	4	1,343	100.0	31.4	3.7	20.1	14.8	11.3	.1	18.6	18.6
1934.....	29,372	8,437	2,483	250	1,757	1,087	1,104	4	1,632	100.0	30.6	3.0	20.8	12.9	13.1	(1)	19.6	19.6
1935.....	29,864	6,907	2,883	267	1,241	987	773	2	1,754	100.0	41.7	3.9	18.0	14.3	11.2	(1)	10.9	10.9
1936.....	32,484	7,570	2,904	333	1,268	1,042	926	4	1,043	100.0	38.3	5.1	16.7	13.8	12.2	.1	13.8	13.8
1937.....	35,483	8,346	2,379	437	1,395	1,945	996	8	1,186	100.0	40.5	5.2	16.7	11.3	12.0	.1	14.2	14.2
1938.....	35,204	8,358	2,380	462	1,378	941	1,077	4	1,116	100.0	40.4	5.5	16.5	11.3	12.9	(1)	13.4	13.4

See footnotes at end of table.

TABLE A—Continued
SUGAR (RAW VALUE): ESTIMATED WORLD PRODUCTION AND PRODUCTION IN PRINCIPAL AREAS SUPPLYING THE UNITED STATES WITH SUGAR, 1910-46—Continued

Year	World production	Production in principal areas supplying the United States with sugar								Percentage production in principal areas supplying the United States with sugar							
		Total	Cuba	Continental United States		Hawaii	Puerto Rico	Virgin Islands	Philippines	Total	Cuba	Continental United States		Hawaii	Puerto Rico	Virgin Islands	Philippines
				Cane	Beet							Cane	Beet				
1939	33,622	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1940	35,951	8,481	23,094	583	1,803	994	852	6	1,149	100.0	36.5	6.9	21.3	11.7	10.0	.1	13.5
1941	35,828	7,998	22,734	332	1,753	976	1,019	7	1,142	100.0	36.9	5.9	20.5	11.4	11.9	.1	13.3
1942	32,705	9,160	34,517	419	1,897	947	1,032	8	1,148	100.0	34.2	4.2	23.7	11.8	11.7	(1)	14.3
1943	30,344	7,349	43,230	460	1,588	870	1,148	1	617	100.0	49.4	4.6	17.3	9.5	12.5	(1)	6.7
1944	31,599	8,746	35,647	498	1,726	886	1,039	4	4	100.0	43.9	6.3	23.4	12.1	14.1	(1)	.1
1945	28,019	7,210	3,925	437	1,998	821	964	3	2	100.0	64.6	5.7	11.4	10.0	8.3	(1)	(1)
1946	27,221	8,023	4,476	482	1,278	857	909	6	15	100.0	54.4	6.1	14.6	11.4	13.4	.1	.2

¹ Less than 0.05 percent.

² The Smoot-Hawley tariff of 2 cents per pound adversely affected Cuban sugar production in 1931, 1932, 1933, and 1934. The production of the years 1931, 1932, and 1933 was used as the base for determining Cuba's sugar quota under the Jones-Costigan Act of 1934 and later under the 1937 Sugar Act. Sugar-act quotas, which affected Cuba's production, were in effect from 1934 to 1941 except for a brief period in 1939.

³ The 1942 and 1944 production figures for Cuba include the sugar equivalent of invert molasses made in those years at the direction of the United States. In 1942 this amounted to 717,000 and in 1944 to 809,000 tons.

⁴ The 1943 Cuban crop was restricted in size at the insistence of the U. S. Government.

TABLE A—Continued

QUANTITY OF SUGAR EXPORTED FROM CUBA TO THE UNITED STATES, UNITED KINGDOM, AND OTHER COUNTRIES, 1902-45 ⁵

Year	United States		United Kingdom		Other countries		Total	
	Raw	Refined	Raw	Refined	Raw	Refined	Raw	Refined
	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>
1902	903,033	(⁶)			253		903,286	699
1903	1,048,570	1	25,246		194		1,074,010	30
1904	1,246,867	(⁶)			51		1,246,918	24
1905	1,213,861	7,703	1,773		152		1,215,786	7,703
1906	1,325,489	11,872	2,432		709		1,328,630	11,882
1907	1,454,392	14,545	6,811		14		1,461,217	14,545
1908	997,617	11,861			74		997,691	11,872
1909	1,625,953				3		1,625,958	10
1910	1,853,795		101,095		5,267		1,960,157	1
1911	1,583,658	6,831	6,005		132		1,589,795	6,831
1912	2,014,097	29,277	104,202		31,202		2,149,501	29,277
1913	2,418,994		273,583		46,191		2,738,768	
1914	2,453,654		267,936		66,075		2,787,665	
1915	2,440,380	(⁶)	408,612		17,340		2,866,332	(⁶)
1916	2,445,904		622,659		213,170		3,281,733	920
1917	2,297,354	547	749,380		164,955		3,211,689	9,543
1918	2,552,108	1	977,532		106,540		3,636,180	11,201
1919	3,493,812	3,538	685,083		308,619		4,487,514	10,836
1920	2,651,268	480	552,755	(⁶)	285,940		3,489,963	3,064
1921	2,681,329	312	331,165	47	187,039	5,746	3,199,533	6,105
1922	4,448,628	2,533	760,250		354,599		5,563,477	18,541
1923	3,468,537	33	285,758		117,662		3,871,957	845
1924	3,816,935	2,825	504,857		115,190		4,436,982	3,854
1925	4,097,959	3,888	1,000,218		419,840		5,518,017	3,956
1926	4,258,999	68,786	416,812		773,969		5,449,780	78,398
1927	3,666,663	118,643	525,248	3,611	382,524	13,890	4,574,435	136,144
1928	3,078,880	224,419	875,899	1,219	255,254	15,549	4,210,033	241,187
1929	4,006,118	313,342	869,585	546	332,643	17,114	5,208,346	331,002
1930	2,247,350	302,474	795,691	5,859	286,342	11,412	3,329,383	319,745
1931	2,001,952	343,125	579,403		82,864		2,664,219	380,995
1932	1,413,788	494,108	740,878	1,173	280,154	726	2,434,820	496,007
1933	1,082,214	476,738	756,544	2,332	240,167	35	2,078,925	479,105
1934	1,473,453	303,376	550,106	4,766	247,676	568	2,271,235	308,710
1935	1,532,093	290,086	592,588		300,939		2,425,620	293,251
1936	1,479,701	367,288	792,142	3,070	243,573	24,504	2,515,416	394,862
1937	1,823,040	353,986	579,143		222,298		2,624,481	363,065
1938	1,660,179	330,591	661,280		241,534		2,562,993	347,678
1939	1,847,628	366,192	524,232		240,363		2,612,223	467,713
1940	1,550,319	332,620	238,622	6	131,801	54,526	1,920,741	387,152
1941	2,537,823	328,364	501,701	(⁶)	94,009		3,133,533	426,419
1942 ⁷	2,199,239	348,965	31,222	(⁶)	98,301		2,328,762	371,140
1943 ⁷	2,987,221	345,415	658,618	8,511	67,172	68,981	3,713,011	422,907
1944 ⁷	4,317,696	399,074	266,112		15,303		4,599,111	547,563
1945 ⁷	2,764,385	399,008	543,379	18,415	138,830	271,884	3,446,594	689,307

⁵ Source: Cuba Sugar Yearbook, 1946.⁶ Less than one-half ton.⁷ During these years the United States Government purchased substantially all the sugar produced in Cuba. The distribution of exports from Cuba during these years was controlled by the Combined Food Board of which the United States was a member. The 1942 and 1944 figures for exports of raw sugar to the United States and for total exports of raw sugar include the sugar equivalent of invert molasses made in those years at the direction of the United States. In 1942 this amounted to 717,000 tons and in 1944 to 809,000 tons.

NOTE.—The distribution of exports of refined sugar between the United States, United Kingdom, and other countries is incomplete for most years.

STATEMENT BY THE AMERICAN CHAMBER OF COMMERCE OF CUBA TO THE HOUSE COMMITTEE ON AGRICULTURE

FOREWORD

In bringing to the attention of opinion leaders in the United States the basic facts about sugar, the American Chamber of Commerce in Cuba feels it can be of service to our national economy, and that our long experience representing all types of American business in Cuba has given us a unique insight into the fundamentals of Cuban-American trade. As outposts of American agriculture, business, and industry, our major concern is to maintain and to strengthen trade with the mainland.

Cuba is traditionally one of the largest markets for farm and factory exports from the United States, and, in one way or another, each of us is busy here in trying to extend that market. The roster of our 168 active members includes the names of companies known throughout America as processors of foodstuffs; as producers of cars, trucks, and electrical equipment; or as manufacturers of textiles, pharmaceuticals, cosmetics, photographic supplies, office equipment. Few of us deal with sugar directly; all of us know that Cuba's ability to sell sugar to the United States controls our ability to sell American goods to Cuba.

We are in a position to present facts on the basis of past performance. If the opinion leaders of the United States become attentive to the record of performance, our international policy can be better adjusted to the facts.

It is on this basis that we urge our fellow American citizens to give immediate attention to the Sugar Act of 1937 with a view to stimulating Congress to prompt action in so rewriting this basic legislation as to reflect the lessons we all have been exposed to during the 10 years that the act has been in effect.

The timetable is important. Congress is due to adjourn July 31. The law expires December 31. Simple extension for another year would postpone a fair solution of the problem and prejudice both supply and trade.

STATEMENT

Shortages in two world wars have etched into the consciousness of the American people the importance of sugar both in their daily diet and to large segments of their business and industrial economy.

Farmers have seen the berries and fruits rot which normally would be put up for winter meals. Housewives have had to eliminate pies and pastries. Children have missed their soda pop and penny candies. For a long time throat lozenges monopolized counters usually loaded with a wide variety of candy bars. And the baking, soft drink, confectionery, ice cream, and canning industries have had to adjust production and employment to the thinning stream of sugar allotted to them. Without the supplies of sugar from Cuba, this stream would have dried up for millions of Americans.

These results of limited supplies may, hopefully, become a memory by the time the next sugarcane crops are harvested. Then will appear again the other side of the picture: the role of Cuban sugar in creating a market for the surplus farm and factory products of the United States. Cuba's purchases of our goods have fluctuated directly with our purchases of her sugar. This is a close relationship which the farm, industrial, and labor leaders of the United States should watch jealously, now that maintenance of solvent export markets is becoming important to maintenance of production and employment levels.

There are some who strive to make a point of the fact that, roughly speaking, Cuba buys only \$60 of our goods for every \$100 she gets from the sale of sugar to us. This comparison completely ignores the importance of the so-called invisible items of payments for shipping, insurance, banking, and other services Americans render in this trade, and of returns on the heavy American investments in Cuba, investments which, whatever they may once have been, are aside from these items, the 60 percent ratio, representing Cuban purchases of now owned directly by the American public and not by the banks. But, quite aside from these items, the 60 percent ratio, representing Cuban purchases of our farm and factory products, contributes more dollars to the American economy than does farm income from all our mainland beet and cane production. Nebraska wheat farmers, Michigan factory workers, Louisiana rice growers, as examples, have in irreplaceable stake in their exports to Cuba which the beet and cane growers of these States cannot justifiably ignore. The following table illuminates this point:

	Cuba sold United States	Cuba bought from United States	Mainland sugar growers received ¹
1935-41 average	\$123, 700, 000	\$84, 000, 000	\$71, 000, 000
1942-45 average	294, 500, 000	157, 750, 000	88, 500, 000

¹ Does not include U. S. Government subsidy payments.

MISINTERPETED WORLD WAR I LESSON

But let us first examine the record of supplies during the critical war years. Major causes of the shortage was, of course, the complete dislocation of the world sugar industry by the impacts of a global war which at the same time stimulated the demand for sugar as an energy food. But an appreciable factor, so far as the American people are concerned, was the break-down of a largely artificial structure of supplies.

World War I had demonstrated that mainland United States could not in an emergency deliver even its limited peacetime output; yet we misinterpreted the lesson and embarked on a program of fostering domestic production at the expense of the one source—Cuba—which had greatly increased its deliveries to us during that war. First through mounting tariff protection which culminated in the Hawley-Smoot tariff and then through a combination of tariff plus quota control plus cash subsidies to domestic producers, the United States embarked, in the years between the two wars, on a program of planned economy that collapsed under the stresses of World War II.

When the Sugar Act of 1937 was under consideration in Congress, the United States Secretary of Agriculture publicly estimated that this combination of artificially supported price and subsidies would cost the American consumer-taxpayers some \$350,000,000 a year over and above what they would have paid for their sugar in a free market. That was quite an insurance premium to pay for the development of domestic sugar production year after year before World War II. It might have been justified had the plan proved effective when that war hit the American economy. But what actually happened?

United States mainland beet and cane production again failed to maintain even normal peacetime volume;

Puerto Rico went ahead slightly over the war period;

Hawaii fell below peacetime volume, due largely to the use of her land and manpower for military purposes;

The Philippines were quickly and completely eliminated as a source of supply;

Cuba, which had been the target of the United States between-wars sugar policy, alone responded importantly to the crisis, her prompt and progressive increase in output providing the United States with more than half of the sugar received from all sources.

The United States is still shipping sugar to the Philippines to meet her essential needs.

A MATTER OF LOGISTICS

Logistics is just as important to the home front as it is to the military in the field. Presumably it was in the name of logistics that our prewar sugar policy was designed and was financed by the consumer-taxpayers in an attempt to make mainland United States more nearly self-sufficient as to sugar. That experiment having failed, we naturally look for an alternative that will work. The western section of Cuba so tucks under the Atlantic coast line of the United States that Habana is almost due south of Cleveland. At the same time, this great Cuban port is only 90 miles from Key West, Fla., and 213 miles from the port and railhead at Miami. During the critical war period when U-boats were menacing Atlantic and Caribbean shipping lanes, 1,442,868 short tons of sugar were ferried from Havana to Port Everglades (Miami) without the loss of a single cargo. This example of logistics constituted the major contribution to keeping our home front supplied with at least minimum sugar needs. The other prewar source of America's sugar supply from the Caribbean area (Puerto Rico) is well over the horizon, and Hawaii and the Philippines are even farther distant from our Pacific coast.

PROTECT YOUR TRADE WITH CUBA

For nearly 30 years the United States has pursued a policy of protecting its domestic sugar industry without too much thought as to whether this policy would protect or hurt the general farm and industrial economy. Now that we are well into the period of postwar readjustment with an eye on maintaining a high level of production and employment, we submit that the approaching expiration of the Sugar Act of 1937, as extended, offers a definite challenge to the opinion leaders of our native land.

Simple extension of the present law for just another year may sound like the easy way out, but it will face us business getters for American products with problems which are far from simple. There is direct correlation between Cuba's ability to sell her sugar to the United States and our ability to maintain an export market in Cuba for American goods. And American goods mean such farm and factory products as rice, wood, paper, wheat flour, steel and iron, lard (packing house), chemicals, vegetable oil, petroleum products, autos, machinery, glassware, bottles, pharmaceuticals, textiles, fruits and vegetables.

The more we can sell of these and other goods, the more will the broad pattern of American production be activated. Cuban acres planted to sugarcane for the American market will keep American acres planted to rice and wheat, potatoes and beans, apples and other fruits for the Cuban market; will keep steel and lumber mills, factories, and refineries busy with orders for export to that island. This is neither theory nor wishful thinking; it is based on recorded performance ever since our Government first started compiling and publishing the statistics of the Cuban-American trade.

We are proud to have helped in building up this large and varied export trade and in developing, in a land with language, customs, and culture derived from a European nation, a preference for so many things American. But we cannot make sales if the ability to buy is taken from Cuba by the reimposition of the restrictive sugar quotas of the between-war years.

Furthermore, the United States Government can hardly expect the cooperation of the Cuban Government in the current International Trade Organization Conference at Geneva, Switzerland, if the Congress of the United States enacts sugar legislation that fails to recognize Cuba's performance in supplying sugar during and since World War II. This aspect of the situation is developed in the New York World-Telegram of June 16, 1947, by Mr. Arthur Gorman, who writes:

"A development more menacing to the administration's plans for expanded reciprocal trade than the controversial wool-price support bill may emerge from Congress this week, Cuban sugar interests here fear.

"A move to enact basic sugar-quota legislation which would limit Cuban imports to about the amount permitted under the existing Sugar Act is expected despite recommendations by Secretary of State Marshall and Secretary of Agriculture Anderson that Cuba's share of the United States market be substantially increased.

"Secretary Anderson urged that hearings on quotas be held this session to focus public attention on the economic, political, and social issues involved in increasing Cuba's quota in line with the administration's plans for removing barriers to world trade.

"Cuban sugar output was expanded during the war in compliance with United States requests, Cuban interests say, and production this year is expected to be nearly double the average of the years 1935-39. Yet the Cuban share of the United States market in that period averaged about 2,000,000 tons, or about 28.5 percent. This compares with about 50 percent of America's supply provided by Cuba since 1942 and with an anticipated total Cuban crop this year of 6,000,000 tons.

"Cuban sugar interests say they can't go on planting for a 6,000,000-ton crop if the United States will take only 2,000,000 tons as in the 1935-39 period. In addition, they emphasize that of every United States dollar spent for sugar, 75 cents comes back to the United States in direct import purchases. * * *

WHERE NATIONAL INTEREST LIES

It is the function of the Congress of the United States to write legislation that will reflect the national interest. Our function stops with bringing to the attention of this body and of the opinion leaders of the Nation the facts as we see them. We believe it has become obvious through our experience in two world wars that it is in the national interest to depend on Cuba for the major source of sugar Americans need for their daily diet and for their industries. It is equally obvious through our experience in the prewar years that we can depend on Cuba to absorb a substantial part of our farm and factory production if only we give her purchasing power through buying from her the sugar we need.

There is one final point which is not so obvious but which nevertheless is important in the writing of an intelligent sugar policy and program. In contrast to sugar beets, which are planted and harvested each year, thus giving the farmer flexibility in planning his crops, sugarcane takes from 15 to 18 months to mature from planting to the first cutting of the cane, which thereafter is recut annually

for a period of from 6 to 10 years. Thus sugarcane cultivation requires a heavy initial investment which can be profitable only if the planter is assured of a stable market for sugar during the effective life of his cane. The proposed single year's extension of the present law or even a 3-year period (for which that law was originally enacted) fails to give reasonable assurance to the cane planters. Hence, we strongly urge that the law which should be written to replace the Sugar Act of 1937 should be effective for at least 10 years.

Given a fair share of the American sugar market and the opportunity to plan on the basis of realistic long-term legislation, Cuba can continue to be one of our best customers and our most reliable source of sugar at all times.

OBJECTIVES AND PURPOSES

Among the objectives and purposes incorporated in the articles of association of the American Chamber of Commerce of Cuba are:

"To promote trade and commerce between the United States of America and the Republic of Cuba.

"To foster and to encourage the agricultural, mining, industrial, financial, and commercial interests of both countries.

"To cooperate with the Governments and with the citizens of both countries for the maintenance of friendly relations and for the solution of their common problems.

"To encourage and to support the reciprocal consideration and treatment of all matters affecting the relations of the two countries.

"To acquire and to disseminate reliable information regarding both countries."

THE AMERICAN CHAMBER OF COMMERCE OF CUBA,
By L. A. CROSLY.

JUNE 20, 1947.

STATEMENT OF P. A. STAPLES, PRESIDENT, HERSHEY CORP.

I appear as president of the Hershey Corp., incorporated in Delaware, which has been engaged since 1919 in growing cane and producing refined sugar in Cuba principally for the American market. This operation at the point of cane production was initiated as the natural and most efficient method of making white sugar. It has contributed importantly to the industrial development of Cuba, a development which it has been the announced policy of the United States Government to encourage. That policy was originally stated in the Atlantic Charter and is currently reflected in our position at the ITO Conference in Geneva.

When the quota-control program for sugar was introduced through the Jones-Costigan Act of 1934 an arbitrary classification, new to the sugar trade, was inserted. This was the direct-consumption sugar quota, a quota within a quota, which was the device of the mainland refiners to compensate for their failure to get a supertariff on refined sugar in the Hawley-Smoot tariff and, subsequently, in a special proceeding before the United States Tariff Commission.

When the Sugar Act of 1937 replaced the earlier legislation this slip noose was not only continued but was drawn tighter around the Cuban refining industry by changing the direct consumption quota from a percentage to a fixed tonnage basis and setting that tonnage at 375,000 short tons, raw value, for Cuba. This figure is 19.62 percent of the 1,911,244-ton total base quota for Cuba (under the 1937 act base estimate of 6,682,670 tons consumption), and it compares with the 22 percent of the effective quota permitted in the Jones-Costigan Act.

I have given this history both because the background of sugar legislation may be new to some of you gentlemen and because it is well to bring out for public scrutiny a pattern of superprotection which the mainland refiners now seek not only to project into the postwar era but to make even tighter. For the obvious result of retaining the 375,000-ton direct-consumption quota and at the same time increasing substantially the over-all sugar deliveries from Cuba to the United States is to reduce the percentage of Cuban refined sugar in the total Cuban volume. The effect will necessarily be the same as in banding a growing tree. Cuba's refining industry, which is a natural and reasonable move toward industrialization, will be strangled. Cuba will be reduced to a purely agricultural status among the nations. Such a condition can hardly prove acceptable to the Cuban people; and I am confident that the American people will not wittingly accept the role of imposing such a condition on a good neighbor who served them well during the emergencies of two world wars.

To what degree will it serve the American national interest to wreck the Cuban refining industry? Certainly it will not serve us as consumers who want adequate supplies of sugar at a fair price and who traditionally distrust any trend toward monopoly of an essential food. It is of no concern to our domestic beet and cane growers in what form Cuban sugar enters this country; their interest is centered in the volume, not the type.

There remain, then, the mainland cane sugar refiners. According to the 1939 census of manufactures, there were 27 cane-sugar refiners in a total of 184,230 manufacturing plants in operation; these refineries employed 14,133 workers out of a total of 7,886,567 factory employees, and these workers were paid \$16,197,000 out of a total pay roll slightly exceeding \$9,000,000,000. As to value created by their refining operations, it must be remembered that these mainland refiners receive sugar which has already been produced to 96° polarization. They merely wash this sugar, whiten it, and dry and recrystallize it. It is for Congress to put them in the proper perspective in the national interest, which most certainly includes a proper regard for our commercial and political relations with other nations.

There has been no chance as yet really to study this new bill which is being introduced to replace the Sugar Act of 1937 and which I understand reflects the wishes of the United States domestic sugar industry, but a quick reading of this bill shows that it not only fails to rectify the injustice of the direct-consumption sugar limitations in the act of 1937 but also fails to give adequate treatment to Cuban sugar in several other respects.

I therefore hope that this committee will so rewrite this bill as to "unfreeze" the Cuban direct-consumption quota from its presently fixed 375,000 tons and to give the Cuban sugar-refining industry a just and reasonable participation in a new and a fairer recognition by the United States of Cuba's place in her sugar economy.

AMERICAN BAKERS ASSOCIATION,
Washington 4, D. C., June 27, 1947.

HON. CLIFFORD R. HOPE,
United States House of Representatives,
Washington 25, D. C.

MY DEAR MR. HOPE: I wish to call your attention to the position of the American Bakers Association with respect to the bill now under discussion before your committee on the matter of the establishment of quotas for sugar.

Last year, when extension of the present Sugar Act of 1937 for 3 years was proposed, we took the position that legislation of such importance and significance designed for a long period of time should not be enacted hastily without extensive study of all the factors involved with a view to protecting all interests—the consumers' as well as the producers' and refiners'.

Therefore, we urged extension of the Sugar Act for a period of 1 year only. This was done, and it was hoped that in the intervening period a study of the problem would be made, so long-range legislation could be enacted in this session of Congress. However, this study has not been made; nevertheless, we now find up for consideration legislation which would establish quotas and, in effect, prices on sugar for a 5-year period.

The problem is every bit as serious today as it was a year ago. A complete and searching study should be made of this entire problem by an impartial group, perhaps a subcommittee of the House Agricultural Committee, to investigate the purposes and ramifications of possible legislation to the end that the interests of consumers, producers, and refiners receive the consideration to which they are entitled.

We, therefore, again urge upon your committee that the present Sugar Act be extended for a period of 1 year with such amendments as may be necessary to take care of the change in the status of the Philippine production as it will affect the Cuban quota. Such action, coupled with extensive study of the problem, in our opinion, will result in the development of sound long-term legislation benefiting all concerned.

Respectfully,

JOSEPH M. CREED, *Counsel.*

The CHAIRMAN. If there is nothing further, the committee will stand adjourned at this time, subject to the call of the Chair.

(Thereupon, at 12:10, the committee adjourned.)

SUGAR ACT OF 1948

WEDNESDAY, JUNE 25, 1947

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 a. m., Hon. Clifford R. Hope (chairman) presiding.

The CHAIRMAN. The committee will come to order. On Saturday the committee heard from Secretary Anderson, Mr. Kemp, and Mr. Nido, the latter representing the Puerto Rico Farm Bureau. At that time the committee had not had an opportunity to see or read the proposed bill. We have had time since then.

Like any sugar legislation, it is an intricate measure, and I thought this morning we should have Mr. Marshall come up and explain to us some of the provisions of the bill, and particularly the effect of some of the changes which have been made in the legislation as compared with the existing law.

We will be glad to hear from you, Mr. Marshall.

**STATEMENT OF JAMES H. MARSHALL, DIRECTOR, SUGAR BRANCH,
ACCOMPANIED BY GEORGE A. DICE, CHIEF OF SUGAR ACT DIVI-
SION, AND JOHN C. BAGWELL, ATTORNEY, DEPARTMENT OF
AGRICULTURE**

The CHAIRMAN. Mr. Marshall, I asked you to come up so we could question you about the legislation. I wonder if you have any statement you would like to make before we proceed along that line?

Mr. MARSHALL. I think not, Mr. Chairman, except when we were up here Saturday, I believe in the Secretary's statement, he did say to you that we would give you some further views early this week on a payment provision, section 403, page 27 of the committee print.

The CHAIRMAN. We will be glad to hear from you on that point.

Mr. MARSHALL. All right, sir; I understand that that provision has been put in upon the urging of some of the growers who want to get the payments under this act a little earlier than they have been getting them. It raises certain questions of fiscal policy on which we would just like to give you our views.

We question whether it is advisable to provide for this method of payment which requires us to send the money out into the banks and incur banking and bonding charges, bonding charges particularly for the purpose of protecting the Government, because, in the first place, it would call for some additional administrative expense at a time when we do have a limitation put on us for the first time under the House version of the agricultural appropriation bill for this year, and

might squeeze us still further on the funds available for the purpose of the administration of the act at the same time when the cost can be expected to go up some, because under that House appropriation bill we are going to lose a part of the field force that has been doing the field work for the agricultural conservation program in general and doing the sugar work at the same time. I think the more important question, however, is the one of whether it is good fiscal policy to send this money out and have the payments made without going through the preauditing process that they have been going through.

The CHAIRMAN. How much delay has there been in making these payments?

Mr. MARSHALL. I believe the payments for the fall crop have, in general, been made in the late winter and early spring in recent years.

The CHAIRMAN. Is there any way you could speed that up without resorting to this new procedure?

Mr. MARSHALL. Yes, we could speed that up a little, but it would be at some additional cost, because in order to speed it up considerably it would require employing a larger number of people for a short period, rather than spreading the load over a little longer period.

Mr. FLANNAGAN. You make the payments on performance by producers. Suppose the producer hasn't performed, then what happens?

Mr. DICE. That is not intended, as I understand it, to imply making the payments in advance of performance. but, rather, that the allotments to the local areas be made in advance of determination of performance.

Mr. FLANNAGAN. It says—

The funds made available for payments to producers under title III of this act shall be available to the Secretary for allotment and payment in advance of determination of performance by producers.

That contemplates you are going to pay the producer whether he performs or not.

Mr. DICE. We have not understood it that way. We assumed that money would be there in advance of determination of performance, for disbursement after determination of performance.

Mr. PACE. It means you can turn it over to the local committee, but not the producer himself.

Mr. BAGWELL. That is correct. That is our interpretation of it.

Mr. PACE. That is what it says.

Mr. BAGWELL. I think if the provision should stay in perhaps there could be some clarification on that point. The way we have interpreted it, you would allot the funds and pass them out to the county, but you would not pay the producer until you have definitely ascertained whether or not he was in compliance with the conditions of the program.

✓ Mr. ANDRESEN. On pages 22 and 23 of the bill it looks to me like payments are provided in the event there is a "bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane," so that a farmer would get paid even though he did not produce a crop. This is a sort of insurance as well.

Mr. BAGWELL. That is right.

Mr. ANDRESEN. Is that covered in the old law?

Mr. BAGWELL. Yes, sir.

Mr. ANDRESEN. If a farmer actually plants a crop and it is destroyed he gets his payment just the same.

Mr. MARSHALL. He gets a percentage of it; yes.

Mr. HILL. He doesn't get all the payment for the crop the same as the man that produces it.

Mr. MARSHALL. No.

Mr. HOEVEN. What percentage does he get paid?

Mr. MARSHALL. He gets paid on his actual production. Then he gets paid on the difference between that and 80 percent of his normal production on that acreage, except that on abandoned acreage he gets paid on one-third of his normal production.

The CHAIRMAN. Let us go into the interpretation of this. The way you interpret it, the money would be made available by the Secretary to the local committee before there had been any determination as to performance, but it would not be paid to any producer until after he had furnished proof to the county committee of performance; is that correct?

Mr. BAGWELL. That is our interpretation of it, Mr. Chairman.

The CHAIRMAN. It seems to me it does not read exactly that way. I believe if that is the purpose of the language you should clarify that some.

Mr. POAGE. Suppose he found that this gave him authority to pay the farmers as soon as the county committees got the money? They could make a local decision and they would be inclined to give the benefit of the doubt to the farmer.

The CHAIRMAN. Of course they have to give a bond. What would be the conditions of this bond that is provided for?

Mr. BAGWELL. The idea, Mr. Chairman, as I understood it, that one member of the county committee would be the certifying officer, and another member would be what we call the disbursing officer. Both of those people would be bonded under the regulations to be issued by the Secretary so as to protect the Government.

The CHAIRMAN. You mean the condition of that bond would be if they made a payment to someone who was not entitled to it the surety on the bond would be liable for that payment?

Mr. BAGWELL. Yes.

Mr. FLANNAGAN. What is the object of turning it over to the committee before they need the money?

Mr. BAGWELL. I think the only point there, Mr. Flannagan, is that the Secretary would simply allot it and pass it on out to the county committee for deposit in the local bank, so the county committee would have the money there readily available as soon as they determine whether or not the farmer was in compliance.

The CHAIRMAN. How has it been done before? Did you wait until the Comptroller General checked it and compliance was proven, and then receive a statement from the county committee as to the amounts which would be payable in that county and then send the fund out?

Mr. BAGWELL. The way it has been done before is when the application came into the county office the county committee, after determining whether or not the farmer had complied with all condi-

tions, so certified on the application, and then the application went to the State office of the Production and Marketing Administration and they checked it over to see whether it was in proper form and had been made out properly. Then the application would go to the General Accounting Office, a field office of the General Accounting Office for preaudit, and then when the application had been audited in that manner it went to a branch office of the Treasury Department, disbursing officer, for payment of the check.

The CHAIRMAN. And that is the way you do it now?

Mr. BAGWELL. Yes.

The CHAIRMAN. Tell me how you would do it under this language if it should become part of the law.

Mr. BAGWELL. Under this provision, as I understand it, the Secretary would simply allot the money to the counties in much the same fashion as he now allots county association expense money that is obtained, as you gentlemen know, in connection with the agricultural conservation program. That money would be deposited in local banks in the same manner in which the county association money is deposited. Then when the farmer files his application and the committee determines that the farmer has complied with the fair price determination, or the payment of farm wages, or the child labor requirement, and all other requirements of the program, then they would certify his application for payment and issue him a check at the county level, drawn on the local bank.

The CHAIRMAN. After that the application would go through all the channels as you have explained before.

Mr. BAGWELL. It would be subject to postaudit, as I understand, by the General Accounting Office, just as the applications are subject to postaudit now.

The CHAIRMAN. There would not be any preaudit?

Mr. BAGWELL. No.

The CHAIRMAN. You said you had a preaudit now.

Mr. BAGWELL. Yes, we do have a preaudit now.

Mr. POAGE. If there is no preaudit, then what protection is there for the local committee on their bond?

Mr. BAGWELL. The protection is their earnest effort to do the job properly, I think.

Mr. POAGE. As a matter of fact, he could make the conditions of the bond so binding that they actually would protect the Government, and then the committee is going to insist that the General Accounting Office audit these things, isn't it? That is the only way in the world that they can be protected.

Mr. BAGWELL. I think that is true.

Mr. POAGE. On the other hand, if you did not do that, you will have to make the conditions of the bond so lenient that it gives the Government no protection. In other words, you mean the man who wrote the bond and the bank would go broke. The bonding company would insure the deposit in the bank which the Government has already insured through the Federal Deposit Insurance Corporation, and of course we would pay two insurance premiums instead of one.

Mr. MARSHALL. Mr. Chairman, if the committee has the same concern as we have about this payment, we would, of course, in the absence of such language, do everything reasonably possible to speed up the payments to the growers.

Mr. FLANNAGAN. Do you think the county committeemen would assume the risk?

Mr. BAGWELL. We have received, as far as I know, no expression from committeemen as to how they feel about taking on this responsibility.

Mr. FLANNAGAN. They are taking on a great responsibility under this language; they are giving a bond, and if the postaudit shows they made a mistake they are liable on that bond.

Mr. WORLEY. Who drew up this bill?

Mr. MARSHALL. This bill was drawn up by a large group of people.

Mr. POAGE. Doesn't it come down to this: the condition of the bond may be that I go fishing on Saturday afternoon, and if I don't go fishing Saturday afternoon I violate that part of the bond. It is whatever the Secretary wants to put in it.

Mr. WORLEY. Would you tell us who drew this bill? Was the public represented?

Mr. MARSHALL. It was drawn up by a large group of people, representing primarily the domestic sugar industry, working with people in the Department of Agriculture.

Mr. WORLEY. Who did the drafting? The Department of Agriculture?

Mr. MARSHALL. No; I would say it was a joint effort.

Mr. GROSS. A little louder, please.

Mr. MARSHALL. I would say the drafting was a joint job. It was discussed provision by provision out of the old act. First one and then the other did some drafting on it. As to this particular provision we are talking about here, we expressed our feeling and our concern about it in the beginning and have told the other people concerned, the domestic-sugar people, that we would do some further checking with our own fiscal people and see what their position on it was. We have only now been able to get their position, and it is one of some concern with this type of provision.

Mr. WORLEY. Is this the only objection you have to the bill?

Mr. MARSHALL. To the language of the bill, that is correct. I would want to say, though, in making that statement, from the beginning we have had numerous objections, as have any number of people in the domestic-sugar group working on it. It has been a process of discussing all of those things and trying to reach a reasonable agreement on something which everyone would support. So we have agreed to certain provisions that were not wholly acceptable to us in the beginning, and so have they.

Mr. WORLEY. Does the State Department approve it?

Mr. MARSHALL. I would not state the position of the State Department as one of approval of this bill.

Mr. WORLEY. Do they know about it?

Mr. MARSHALL. They know about the general provisions of this bill and have indicated that they will go along with this, that it can be accepted as within the program of the administration.

Mr. WORLEY. You say they go along. You mean they do so reluctantly?

Mr. MARSHALL. I do not know how reluctantly.

Mr. WORLEY. Did they endorse it or did they not?

Mr. MARSHALL. I would merely say it can be stated that this bill is within the program of the administration, which means they are not objecting to it.

Mr. PACE. Mr. Marshall, in the light of the fact that this is a rather radical change in the method of distributing the payment, and in the light of the question of time, don't you think it would be better to retain the provision in the present law and let this be a matter of separate study by the committee?

Mr. MARSHALL. We would prefer that, Mr. Pace. We would prefer to continue the procedure as it has been and to do anything we can to speed it up within that procedure.

Mr. HILL. Have you any other payments and any other plans of farm organization or farm production that you have used quite similar plans as suggested by section 403?

Mr. MARSHALL. Mr. Bagwell can answer that, Mr. Hill.

Mr. BAGWELL. Mr. Hill, I did not work on this particular program, but my understanding was the dairy feed payments during the war were handled at the county level.

Mr. HILL. Did you have any particular trouble?

Mr. BAGWELL. None that I have heard of, although I would not be in a position to answer that question.

Mr. HILL. Let me ask you this question. The last three lines of that section—

That members of such committees shall give bond in such sum and under such regulations as the Secretary shall prescribe—

It looks to me like that protects the Secretary and the Treasury of the United States. The argument that this must all be done at top level does not hold water. We have got to turn more responsibility back to the local committee.

You are not dealing with fly-by-night committees here; you are dealing, in the sugarcane and beet industry, with men who have been in the business for years and years. It takes particular equipment and is a particular type of farming. As far as I am concerned, I am not a bit afraid, knowing a lot of these committees as I do, but what in many instances they might be tougher than the folks at the top. They know the farmers and know the peculiarities of growing the sugarcane and beets.

I do not see why you need to be exercised over section 403. I think the men at the grass roots have got to assume the responsibility. I think that would be much more sensible than to start to mutilate the bill this late in the day. I cannot see why the Department of Agriculture cannot say, "If we want to, we will write real restrictions on line 10 and 11."

These are permanent committees. There is no change in the farmers in our territory. I cannot speak for the sugarcane growers, but the sugar-beet growers are permanent men in the community. Sugar beets are grown on this land as long as 40 years. Even the folks that perform the labor on the farm come back year after year to the same community and work for the same farmer.

Some of us get the idea this is a fly-by-night business. Far from it. Why should any committee want to pay a farmer when they know there is a question of doubt based on personality? In our territory I

don't know a farmer committee that would pay these farmers unless they faithfully performed their contract.

So you really cast suspicion on the honesty of these farmers when you come before the committee and say—or anyone does—that you wonder how they conduct this business.

I am sure the gentleman from Utah, who knows the farmers that grow beets in that territory, will substantiate every word I say.

Mr. FLANNAGAN. That is not the question. Here is a committee that acts without a preaudit; then the postaudit shows they made a mistake and overpaid. Having acted in good faith, having done the best job they could, they are going to be found by the postaudit to have made a mistake. Are they going to be liable for that?

Mr. WORLEY. You are in much better shape to place it in the county committee than you are to place it in Washington.

Mr. FLANNAGAN. You are making them liable.

Mr. HILL. Let them be liable. I guarantee to you no farmer would refuse to accept that responsibility. Some farmers have waited 6 months for the money. They need the money. They are trying to balance their accounts. They couldn't do it because they haven't got their payments. It is pretty tough. You are never going to work these programs out successfully until you make the local men responsible. Let us put a little responsibility on their shoulders.

The CHAIRMAN. They will have to hire a couple of good lawyers to make sure they are following the law. Whether a man is entitled to payment or not is not finally decided by the county committee; it is decided by the Comptroller of the United States.

Mr. HILL. Not unless there is a lawsuit or question about it.

The CHAIRMAN. Suppose the Comptroller General comes back and says, "This claim is disallowed"; where is the county committee going to be?

Mr. HILL. I don't see where you are going to get into that, because the county committees are not acting on that basis. The sugar beet passes out of their possession just the minute they load it on the truck and throw it into the pile.

The CHAIRMAN. It is not a question of fly-by-night.

Mr. HILL. That is the way it sounds.

The CHAIRMAN. It is not a question of dishonesty, or anything of that kind; it is a question of whether or not the law has been followed in making the payment, and the Comptroller General is the man who finally passes on that. If these claims did not have to be audited later by the Comptroller General then I think what the gentleman says would be true, as far as the position of the local committee is concerned; but as long as they do have to have an audit, then the local committee can never be sure until the last audit comes through.

Mr. HILL. I would like to ask one more question. They have had a lot of experience in dealing with the dairy industry on this same question and they admit they have had very little trouble.

Mr. MARSHALL. Mr. Chairman, we want to make no particular issue out of it, except to call your attention to the change and how our fiscal people view it, and suggest you might want to get the view of the General Accounting Office on that provision.

The CHAIRMAN. We have all the information we want now. The committee can dispose of the question in executive session. If there are no more questions on that point, let us pass to the next one.

Mr. POAGE. I would like to have him explain just what constitutes compliance.

Mr. DICE. Under this bill compliance would be achieved by refraining from the employment of child labor, and by planting within the acreage allotment or proportionate share that may be assigned to the farm. That would constitute compliance with the conditions for payment.

Mr. POAGE. How about wages?

Mr. DICE. That is not included in this bill.

Mr. ZIMMERMAN. What do you mean by "child labor"?

Mr. DICE. The provision of section 301 (a) is that no child under the age of 14 years shall have been employed in the production of sugar beets or sugarcane—the production, cultivation, or harvesting of sugar beets or sugarcane.

Mr. WORLEY. Within the United States?

Mr. DICE. That applies in all the domestic areas.

Mr. ZIMMERMAN. Don't you leave that to the farm family to decide?

Mr. DICE. It includes Hawaii and Puerto Rico. That is a condition for payment in any one of the domestic areas, including Puerto Rico and Hawaii. And in addition to that, that no child between the ages of 14 and 16 years shall be employed more than 8 hours in any one day.

Mr. HILL. That is a provision of the old law.

Mr. DICE. That is identical to the provision in the old law.

Mr. HILL. And it has worked very well and you have had very little objection to that.

Mr. DICE. I think that is correct, sir.

The CHAIRMAN. If there are no more questions on that point let us pass on to some of the other provisions.

Mr. Marshall, in title II, section 201, there has been quite a change made with reference to the quota provision. I would like to have you explain the change that is made there as compared with the present law.

Mr. MARSHALL. The major change, Mr. Chairman, was to omit a provision in the old law, or in the present law, which said that the consumption estimate in no case would be less than the specified per capita consumption, and in the last act I believe that was the average per capita consumption for the 2-year period of 1937-38. That has been omitted.

One rather new factor, and I believe more than one new factor, has been added. One of the new factors that has been added is that the Secretary, in making this determination, must take into consideration—in establishing the consumption level he must take into consideration the relationship between the price at wholesale for refined sugar that would result from his determination and the general cost of living in the United States, as compared to that relationship between the wholesale price for sugar and the cost of living during 1947—this year—prior to the termination of price control.

The CHAIRMAN. Do you have any figures which would indicate the difference that would be secured by applying each of the two methods, as far as prices are concerned?

Mr. MARSHALL. Yes, Mr. Chairman. First I think I should add there are some other additional factors that we must take into consideration, such as the level and trend of consumer purchasing power.

About the only comparison we can make is to use this factor and apply it to the past and see what kind of price that factor alone would result in as compared with the price that did exist.

The CHAIRMAN. What was the reason for making the change? Was the old formula unsatisfactory?

Mr. MARSHALL. As I understand it, Mr. Chairman, the reason why the domestic sugar people are desirous of that change is they feel the old factor did not reflect quite as high a price as it should have, because if that factor had been in existence during the prewar period it would have resulted in a slightly higher price. I think it isn't just that fact, however; it is also that they are fearful that the old minimum which was in there on the 1937-38 per capita consumption could, under certain circumstances of depressed incomes, result in a very low price for sugar, if the estimate had to reflect 102 pounds raw value per capita, which is the old standard.

The CHAIRMAN. What was the average prewar consumption of sugar?

Mr. MARSHALL. The 2-year period that was used in the present act, 1937-38, was 102.64 pounds per capita. A longer term prewar figure, a 5-year figure, I think, is about the same—about 103 pounds raw value per capita.

The CHAIRMAN. Has the trend in normal times been up or down, as far as per capita consumption is concerned?

Mr. MARSHALL. Over a considerable period it was up, and I believe it did not change very much during the thirties, but going back prior to the First World War and coming to the thirties it was upward.

The CHAIRMAN. I asked you awhile ago, and you haven't had a chance to answer the question yet, as to just how much of a change this would make in the price of sugar and the price to sugar producers.

Mr. MARSHALL. Mr. Chairman, Mr. Dice has worked out some figures here which we used for the purpose of our discussions on this provision. I would like to ask him to just review those figures briefly for you, if you will.

The CHAIRMAN. I think every member of the committee has a copy of that table.

Mr. HILL. I cannot interpret the line which shows how much the change would have been if you use the formula for 1947-46, or 1945; how much it would have increased the cost of sugar to the ultimate consumer. Which line would that be on?

Mr. DICE. You can get the comparison of the price of sugar on the first line.

Mr. HILL. That is the wholesale price of sugar.

Mr. DICE. We worked this out for 3 years. The actual wholesale price of sugar, net cash exclusive of the excise tax, is shown as \$3.94 in 1938, \$3.96 in 1939, and \$4.16 in 1940. If the price had been set reflecting the ratio that existed thus far in 1947 between the wholesale price of sugar and the cost of living as reflected by the consumer price index, the price would then be \$4.62 in 1938, \$4.65 in 1939, and \$4.79 in 1940.

Mr. PACE. It means if you used the formula in the present bill, those would have been the prices?

Mr. DICE. If you used that formula exclusively in determining the consumption factor and attempted to make a consumption estimate which would result in that price, that would be correct. These other factors might have the effect of resulting in some different price.

Mr. PACE. In other words, this raised the cost about half a cent.

Mr. MARSHALL. It would be, as Mr. Dice says, if that factor alone had been used in determining the price. This language lists that as one, I believe, of six or seven factors that must be taken into consideration. Among the factors that must be taken into consideration is the consumption of the previous year, and also the change in the population.

Mr. POAGE. Were not those other factors all in the old law?

Mr. MARSHALL. Not all of them. The level and trend of consumer purchasing power was not in the old law.

The CHAIRMAN. What do you mean by "level and trend of consumer purchasing power"? How are you going to apply it when the time comes that you have to fix a quota? What would you do?

Mr. MARSHALL. Mr. Chairman, we cannot tell you, of course, in detail. We can merely give you our best offhand present ideas on that. We would have to make some studies before this goes into effect as to what the relationship has been between per capita consumption of sugar and per capita purchasing power in this country to determine what effect an increase or decrease of purchasing power has on the consumption of sugar after other factors are taken into consideration, and then try to give that its proper weighting in determining a price.

The CHAIRMAN. Have you made any studies on that? I see that another provision in this bill says you have to establish quotas within 10 days after the effective date of this act. You will have to make some studies now.

Mr. MARSHALL. The act will not become effective until January 1—there is a provision toward the end to that effect—so we have about 6 months to try to get ready for that.

Mr. CLEVINGER. Do we have to clear that with the State Department?

Mr. POAGE. Unless you want to run the risk of a veto.

Mr. HILL. Congress can pass it over the veto.

Mr. CLEVINGER. That affects the interests of the United States. We have two or three representatives of the State Department on this committee that want to know if it cleared with them or whether they approve.

Mr. MARSHALL. If you refer to the International Emergency Food Council—

Mr. CLEVINGER. Every time we have a question raised in the United States they want to know if the State Department has cleared it. So I am wondering if the State Department, the Commerce Department, Agriculture, and all of the top employees of the United States have cleared it.

Mr. PACE. In raising the question of the attitude of the State Department, that isn't comparable to the question that will be raised

every hour if you have the International Trade Organization. That is a superorganization. The practice of asking the Chief of the State Department isn't half of what you would have there.

Mr. HILL. My question is this: You have the wholesale price of sugar listed here, but the question that enters my mind is how much of that increase in the wholesale price of sugar listed here would be reflected in the price the consumer would pay? In other words, following it right straight through to the consumer, it seems to me that is what you have done here when you say in the last two lines of section 201—

prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

So, after all, you are going to consider what the ultimate consumer would pay for the sugar. What percentage of increase would the housewife have to absorb if you change it over and figure it as you have planned it in this bill?

Mr. DICE. Presumably, sir, the retail price of sugar, figuring back to this period, would have been up by about as much as the wholesale price would have been up. Presumably there would not have been any increase in the margin of the wholesaler or the margin of the retailer and it would have resulted then, had this factor exclusively been used, in a price approximately a half cent higher.

Mr. HILL. You say a half a cent. You mean on 100 pounds?

Mr. DICE. Half a cent a pound or 50 cents a hundred pounds. These prices are stated for 100 pounds, \$3.94 a hundred.

Mr. HILL. It would not make much difference in the total amount of the food budget of the housewife if she paid 50 cents a hundred more for sugar. How much would that be in the course of the year figuring four to the family? It would be 50 cents, Mr. Gillie says, for the whole year, divided by four.

Mr. MARSHALL. Fifty cents multiplied by four. The consumption is a little over 100 pounds per capita.

Mr. HILL. A dollar a year.

Mr. MARSHALL. \$2 for a family of four.

Mr. HILL. \$2 for a family of four for a year.

Mr. GRANGER. Mr. Chairman.

The CHAIRMAN. Mr. Granger.

Mr. GRANGER. Coming back to the consumption, which way would it affect the price of sugar whether it was high or low consumption? Would high consumption lower the price or raise it?

Mr. MARSHALL. If at any given time we were talking about a higher consumption estimate or lower consumption estimate, of course the higher the estimate, the higher the amount of sugar to be distributed, the lower the price would be, and vice versa.

The CHAIRMAN. The price would be determined by the ratio between the estimated consumption and the actual consumption, would it not?

Mr. DICE. The other factors, the level of consumer purchasing power at the time would, of course, have a bearing on the level of consumption at any given price: or, stated alternatively, would have a bearing on the price at any given total consumption requirement. It is very difficult to state in very specific and definite terms the exact

circumstances under which you would arrive at a particular price, but with a high level of purchasing power of course more sugar would be consumed in this country at, say, the present price of $8\frac{1}{4}$ cents a pound than would be consumed at a relatively lower level of purchasing power.

The CHAIRMAN. That is true, but if you fix a quota here, we will say, of 8,000,000 tons and for some reason, no matter what it is, whether it is purchasing power or something else, the consumptive demand is only for 7,000,000 tons, then your price is going to go down.

Mr. DICE. That is correct, sir.

The CHAIRMAN. Whether you put the price exactly where you think you would put it, it is going to depend on how nearly the consumptive demand actually approaches your estimate in fixing the quota; isn't that true?

Mr. DICE. That is correct.

The CHAIRMAN. Now you say on the basis of using just this one factor you would get the figures which have been furnished us on this statement.

Mr. MARSHALL. Yes, sir.

The CHAIRMAN. You did not use any other figure, or any other factors that are contained in this draft in arriving at those figures?

Mr. MARSHALL. No, sir; we did not have time to do that. Now what you would have to do in making this type of estimate would be to take the other factors and make studies of the relationship between consumer purchasing power and price of sugar and determine what the relationship of this would be to that. Also determine what quantity of sugar was consumed last year and whether or not this price would likely result in less or more consumption than that, and give some weighting to that factor accordingly. It just hasn't been possible for us to work it out in the time available.

We were considerably concerned about this provision when we first discussed it, because it was given more weight. After very considerable discussion and after putting it in as merely one of the seven factors to be considered we felt we could work out a consumption estimate under those circumstances that would be reasonably accurate.

The CHAIRMAN. There isn't anything in the bill to determine how much weight you are to give to each one of these factors?

Mr. MARSHALL. There is nothing in the bill to determine that; no sir. It merely says we should take these seven factors into consideration.

The CHAIRMAN. It really leaves it pretty much to the Secretary, when you come right down to it. He does not have to give any particular weight to any one of the factors. That is pretty much in the hands of the Secretary of Agriculture.

Mr. CLEVINGER. The Secretary of Agriculture and the State Department.

The CHAIRMAN. We haven't gotten to the Secretary of State.

Mr. MARSHALL. As I see the provision, Mr. Chairman, that is just what it does. He does have to take all these things into consideration, but there are so many others that, after all, about the thing he has to do is to decide what price for sugar will reasonably maintain the domestic industry and at the same time be fair to consumers, and work it out on that level.

The CHAIRMAN. These figures you have given then do not have really much value, do they, as indicating what the use of this formula might bring out in the way of quota as compared to the use of the old formula?

Mr. MARSHALL. No; those particular figures have no value except to show you what one of the seven factors might result in, and it means nothing at all until we work out the other six factors.

Mr. PACE. What particular person or group of persons wrote this formula? Certainly they had some figures to guide them. Did Mr. Shields prepare it?

Mr. MARSHALL. The domestic sugar people had a quite different provision than this to propose to us in the beginning. It did give some more weight, or indicated that more emphasis was to be given to this relationship than is shown here. We did not like that, because we did not think we should tie it to one factor of that kind, not knowing what might happen to that relationship in the future.

Mr. PACE. But you are not telling us what is going to happen to us on these seven factors?

Mr. MARSHALL. That is correct. We cannot tell you in advance what the factors will result in. As I see it, it will put us right back to where we were under the old act, except we do not have the minimum quantity based on a previous average per capita consumption level.

Mr. PACE. Do you think anybody could give us the answer to the application of these several factors?

Mr. MARSHALL. No, sir; I do not think so. I think about the only answer they can give you is it is up to the Secretary of Agriculture, taking these things into consideration. As I see it, these things merely mean that the Secretary cannot just arbitrarily make a determination of what the price of sugar ought to be. He has got to be able to show that he has reasonably taken into consideration these several factors and show that he has done about the best job possible of taking those several factors into consideration and arriving at a price of sugar that is fair to the domestic industry and to the consumers.

Mr. PACE. You mean he would be perfectly free to weigh those factors as his discretion dictates?

Mr. MARSHALL. As I read the bill, sir, he would be.

Mr. PACE. Each factor under this language would not be required to have a certain weight?

Mr. MARSHALL. No, sir.

Mr. PACE. Is there anything that says each factor shall not be equally weighed?

Mr. MARSHALL. There is nothing.

Mr. PACE. Would it not be a reasonable construction, if you have six factors to consider, that you should give each of them equal weight?

Mr. MARSHALL. I would not say, sir, because one factor might be more important than the other. For example, the level of consumer purchasing power would be more important than the desirable change in the inventories of sugar.

Mr. FLANNAGAN. Don't you think until we know what these different factors will approximately add up we are not in a position to decide? We don't know where we will wind up. I imagine someone has got a pretty good idea as to what the factors will add up to or they would not have put them in this bill.

MR. MARSHALL. I do not think they could have had any pretty good idea of how they could come out.

MR. FLANNAGAN. Are we going to legislate in the dark?

MR. MARSHALL. I was merely saying that the determination shall be made by the Secretary of Agriculture.

MR. FLANNAGAN. All right. What is this taking into consideration of these factors going to add up to? You admit you only took into consideration one factor.

MR. MARSHALL. Yes.

MR. FLANNAGAN. What is it going to add up to? Don't you think the committee should have that information before we pass upon this provision?

MR. DICE. I do not believe there is anything specific that we can give you on that point. It may pretty well be that conditions existing as of the time this consumption estimate may be made, in the first 10 days of 1948, maybe quite different, probably will be quite different, than the conditions that may exist a year later.

MR. FLANNAGAN. That is quite true, but I do think you should work up a table showing as to what it would be as of today. We ought to have some yardstick.

MR. DICE. One of the things which shows it is extremely difficult to work up something up to date is the fact that we haven't a representative period of consumption prior to the making of the determination. Now at the end of this year we will have a little more representative period, although the distribution for the major portion of this year will still have been under control. We will have more information with respect to the actual demand for sugar at the present price.

MR. FLANNAGAN. Will it raise or lower the price of sugar when you take into consideration all these matters?

MR. MARSHALL. We can't answer that.

MR. DICE. Beg pardon, Mr. Flannagan?

MR. FLANNAGAN. What is going to happen to the price of sugar when you take into consideration all these factors? Is it going up or down?

MR. DICE. I do not believe that question can be answered specifically. I would venture the personal opinion that it probably would not go up.

MR. FLANNAGAN. It would not go up?

MR. DICE. Probably not. But again the level and trend of consumer purchasing power toward the end of this year, the consumer price index, the general cost of living by that time, the evidence we have as to inventories of sugar and the desire on the part of the trade to build up inventories, may all have a bearing on that determination. So that for us to say that the price will be higher or lower, or will be at some specific level, will be extremely difficult.

THE CHAIRMAN. If we have a recession between now and January 1, that would change tremendously the figures that you might work out now, wouldn't it?

MR. DICE. I should think it would have quite an effect on it.

MR. FLANNAGAN. What effect would that have?

MR. DICE. When he says if we have a recession, I presume that would be reflected in the decline of consumer purchasing power. Per

haps it also might be reflected in a general decline of prices. It is difficult to say, because other factors affect that. It may very well be that the demand for sugar will decline in the event of a recession, and taking all of those factors into consideration, the price that might result from a given estimate of consumption, or given availability of sugar, might be lower than it would have been had the same estimate of consumption been made with generally higher costs and higher demand.

Mr. POAGE. Will the gentleman yield?

The CHAIRMAN. Yes.

Mr. POAGE. I haven't forgotten, although I know a lot of us would like to forget, all about several years ago when we were fixing ceilings on a lot of commodities and, in effect, fixing agricultural prices, that Congress passed legislation that no ceiling should be fixed lower than it was on a certain date. There was some wording put in the bill giving the Secretary authority to "adjust for seasonal variations." I recall very vividly that in the case of one particular commodity, grapefruit, the price was something over \$2 a box on the date mentioned. The law said very plainly the Secretary could not fix ceilings lower than the price on that specific date, yet they fixed the price I believe at 70 cents a box and told us that was done because it was adjusted for seasonal variations.

Isn't this clause in here about the relationship, or about "the level and trend of consumer prices," isn't that just about as vague and just about as well calculated to enable the Department to do anything in the world it pleases as that clause about being adjusted for seasonal variations?

Mr. MARSHALL. Mr. Poage, I would say, as I see it, this doesn't put the determination in the hands of the Secretary any more than the old act. It just adds some additional factors he must take into consideration, and since he has got to publish his findings in the Federal Register, he has got to work out something that is reasonable information. The only change, except for those additional factors he must take into consideration, is the removal of a minimum estimate that he must make.

Mr. POAGE. He may have worked it out all right in the past and he may work it out all right in the future. I must, however, say he did not work it out fairly, in my opinion, as to a good many agricultural commodities in the days of price control. For instance he put a different figure and a much lower figure on snap beans in Texas than he did in Arkansas. As long as we leave it open to that sort of thing, isn't this Congress to blame if at any future date any Secretary of Agriculture—Anderson won't be Secretary forever—if any Secretary of Agriculture ever imposes an unfair determination? Wouldn't that be our fault because we have left the door wide open?

Mr. MARSHALL. I will say, Mr. Poage, no one would be happier than we would be if it were possible for you to write a formula saying exactly what the price of sugar would be.

Mr. GRANGER. Mr. Marshall, you say you are just adding some new things to be considered. Under the old law there was no way of determining exactly how it would work, was there?

Mr. MARSHALL. No, sir.

Mr. GRANGER. The only thing this does is add some more factors to be considered that might make it a little more indefinite, isn't that right?

Mr. MARSHALL. I wouldn't say it would make it more indefinite. It adds some more things we have to take into consideration. It is about the same degree of indefiniteness, perhaps, as before.

Mr. GRANGER. I did not want to say it would make it more indefinite; I mean there are more factors to consider that would make it more difficult to determine.

Mr. MARSHALL. If you could pick out a single factor, like this relationship between the wholesale price of refined sugar and the cost of living, of course you can measure that one. That is the reason we have given you this figure.

Mr. POAGE. You cannot measure that single factor about trends, though, can you?

Mr. MARSHALL. We cannot as of now. We will have, of course, to do a lot of work on that, to determine what the relationships have been there and see to what extent there is an effect on the price of sugar.

Mr. POAGE. Wouldn't that work this way, if I understand that word "trend"; it simply works to the extent that if people are going to buy a lot of sugar the price goes up, the more they buy the more the price goes up, and it has a continuing tendency to run the price up?

Mr. MARSHALL. I would say, Mr. Poage, if we had a high level of consumer purchasing power it probably would be associated with a higher level of prices in general, which means in keeping with that you would expect a higher price for sugar.

Mr. POAGE. Isn't there any way you could arrive at something like a parity formula which would say that the price of sugar would be dependent upon the general level of prices of other commodities?

Mr. MARSHALL. You can tie it to any type of function if you can just find the case which you think has some relation.

Mr. HILL. I do not believe you can direct the sugar economy the same way as other agricultural products. The price of sugar in the United States is more or less determined by what the Secretary of Agriculture says he is going to pay for the Cuban sugar.

Mr. POAGE. Maybe I misunderstood the whole thing. I understood when we passed the bill we were doing it with the idea of stopping the governmental purchases of Cuban sugar. Are you going to continue that?

Mr. HILL. How much sugar does the United States produce in relation to the volume of consumption of sugar in the United States?

Mr. POAGE. I am talking about the United States Government buying the Cuban crop.

Mr. HILL. They have already bought the sugar crop for the next season's delivery, haven't they? Doesn't that set the price of sugar more or less within the boundaries we have got to operate in?

Mr. MARSHALL. We bought the 1947 crop.

Mr. HILL. Yes; and it has a bearing on the market of domestic sugar in the United States.

Mr. POAGE. You are not expecting that to continue, are you?

Mr. MARSHALL. We have been delivering the 1947 crop since January. It will all be delivered very shortly, at the end of this year.

Mr. GRANGER. Coming back to the question of the authority of the Secretary in determining what the price would be, we are not giving him any more authority than he had under the old act, are we?

Mr. MARSHALL. I do not believe you are, Mr. Granger. There is one provision you had in the other act that isn't here which did say that he must set the consumption estimate which would give an average consumption equal to 1937-38. I believe that would be a little more restrictive on him than this is. But except for that, he is given no more leeway than under the other act.

Mr. GRANGER. By and large, the present Sugar Act has been probably the best piece of sugar legislation we have had, hasn't it? It has been generally acceptable to the producers and processors and at the same time you held down the price of sugar. It has been the cheapest commodity we have had during the whole time of the war, isn't that true?

Mr. MARSHALL. I am sure you can answer for that better than I can, but that is my general impression, yes.

Mr. GRANGER. That seems to me to be true. It has been administered very well, very satisfactorily to the grower, the processor, and the consumer.

Mr. GROSS. Mr. Chairman.

The CHAIRMAN. Mr. GROSS.

Mr. GROSS. Do you believe that the Secretary of Agriculture or anyone else can fix the price of sugar, or any other commodity, that will be fair to the producer and consumer? Just answer that "yes" or "no."

Mr. MARSHALL. I would like not to answer that "yes" or "no." I am sure he can set a price that, on the one hand, the producer will say is fair to him and, on the other hand, the consumer will say is unfair to him. I think he just has to use his best judgment on a compromise price that seems to be the most reasonable and do the most equity to both of them.

Mr. GROSS. It just cannot be done?

Mr. MARSHALL. That is right.

Mr. GROSS. You just do the best you can, but it just cannot be done?

Mr. MARSHALL. To wholly satisfy both of them, no.

Mr. GROSS. Don't you believe the fact of this whole business is the sugar barons' buying the sugar and trying to set up a program here that will continue a profitable business for the sugar barons and sugar monopoly in this country?

Mr. MARSHALL. That is not a simple question.

Mr. GROSS. You can answer it "yes" or "no."

Mr. MARSHALL. A simple answer of course could be prescribed, but the answer would have to be "no," if it is a simple answer.

Mr. GROSS. How is that?

Mr. MARSHALL. The answer is "no," sir.

Mr. GROSS. You don't think that is the case?

Mr. MARSHALL. No.

Mr. GROSS. Some of us thought maybe it was.

Mr. DICE. I think another way of answering your first question is when you have a quota system under which the Secretary of Agriculture must make an estimate of consumption requirements within a given year, and since the relationship between the price of sugar, or any other commodity, and supply and demand for that commodity

has a considerable relationship, the mere fact of determining the consumption estimate makes it almost inevitable that the price will be determined by the level of that consumption estimate and these other factors.

Mr. GROSS. Do you believe we should have a quota system?

Mr. DICE. Speaking for myself, I think a quota system results in a stabilized sugar industry here in the United States and in the areas of supply, and is a good thing.

Mr. GROSS. Is free enterprise operating when you have quota systems?

Mr. DICE. Well——

Mr. GROSS. Just simply answer it "yes" or "no."

Mr. DICE. Yes, I think it is.

Mr. GROSS. It is or it is not?

Mr. DICE. I think it is. I think free enterprise is operating.

Mr. GROSS. Free enterprise is operating when you have a quota system on production of agricultural commodities? Is the farmer then operating in a free enterprise?

Mr. DICE. Yes, I believe so.

Mr. GROSS. You believe so. I don't.

The CHAIRMAN. Are there any further questions on this particular point? I would like to ask one before we leave it.

I am correct, as I not, in my assumption that the action taken by the Secretary in making the determinations as to quotas is subject to the provisions of the Administrative Procedures Act?

Mr. BAGWELL. I haven't had an opportunity to study this bill in connection with the Administrative Procedures Act, as it relates to the Administrative Procedures Act. I can only express my personal opinion, and in my opinion it is.

The CHAIRMAN. It would be?

Mr. BAGWELL. Yes. The payments would not be, because there is a section in here that would make the Secretary's determination with respect to payments final and conclusive. But as to determination under title II relating to quotas, that would be true.

The CHAIRMAN. And it would be subject to the procedure for review that exists in the Administrative Procedures Act?

Mr. BAGWELL. Yes.

The CHAIRMAN. Are there any further questions on this particular provision? If not I would like to ask you a question or two about section 206.

Mr. FLANNAGAN. Before we leave that I would like to ask a question about section 302 (e) on page 8, which reads:

If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United State, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this act—

and so forth.

I understand that Cuba, for instance, has failed to pay adjudicated and admitted claims due our nationals aggregating around \$8,000,000. So far the State Department hasn't been able to secure payment. It has been suggested, I understand, by Mr. English of the State De-

partment that on line 18, after the word "treatment" this language be inserted:

including prompt settlement of pecuniary claims—

and on lines 20 and 21 strike out "have authority to". So that section would then read:

If the Secretary of State finds that any foreign country denies fair and equitable treatment, including prompt settlement of pecuniary claims, to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this act—

and so forth.

Has the Department of Agriculture any objections to that change?

Mr. MARSHALL. I think, sir, we have no particular interest in it one way or the other.

Mr. FLANNAGAN. I understand that language has been approved by the Solicitor of the State Department.

Mr. GRANGER. Is it an obligation of the Cuban Government?

Mr. FLANNAGAN. That is what I understand.

Mr. POAGE. I believe we ought to do business with our friends and penalize our enemies. We should not use any pressure on anybody or seek for the United States any advantages unless we confer advantages upon them.

Mr. PACE. Mr. Chairman.

The CHAIRMAN. Mr. Pace.

Mr. PACE. Mr. Marshall, is subsection (e) broad enough to look into the future to protect our Government and our consumers against the action of any other government in setting up, you might say, a cartel or one control agency to control their sugar crop and through that method adopt improper practices? Would this give the Secretary the authority to act in cases of that kind?

Mr. MARSHALL. I think, Mr. Pace, the way I would read that, if our people were treated any differently than such country's own people, it would.

Mr. PACE. It doesn't say merely equitable treatment, it says "fair and equitable treatment." I think the comment would apply to the word "equitable" but it would not apply to the word "fair."

Mr. MARSHALL. I think it would require legal interpretation of the language which I wouldn't be able to give.

Mr. BAGWELL. In my opinion, Mr. Pace, the language would be broad enough to do so. You appreciate this section relates only to any increase they get in this bill as compared to the Sugar Act of 1937.

Mr. PACE. That was my next question, whether the penalty should extend only to the increase authorized by this bill or whether it should extend to the entire quota for that country, because the penalty on the increase might not be significant.

Mr. BAGWELL. It was the judgment of the State Department that it should be limited to the increase. This section, I might add, has been prepared with their full cooperation, as I understand it.

The CHAIRMAN. Where did the section come from in the first place? It is a rather unusual section. It must be designed to meet some particular situation. What is the situation you are trying to deal with?

Mr. MARSHALL. Mr. Chairman, the suggestion comes to us from the State Department. I think that Department is concerned with seeing that American interests in any country that gets any sugar quota, or any improvement in sugar quota under this act, gives fair and equitable treatment to our interests, including our sugar interests in those countries. If, for example, in any country it should be necessary, because of the quota limitations under this act, to have less sugar marketed from a foreign country than they could physically market if they were able to market all of it, the State Department would be sure, in cutting down or limiting their production, that the American interests are limited no more than the nationals of that country.

The CHAIRMAN. It originated, you understand, over this Cuban situation?

Mr. MARSHALL. So far as I know, it did not arise over that, but just over the general protection, first, of the sugar interests, the American sugar interests in those countries, and second, general protection to our commerce, industry, and navigation.

The CHAIRMAN. That provision was suggested by the Department of State?

Mr. MARSHALL. Yes, sir; and I want you to understand clearly I cannot tell all the things that they had in mind in suggesting it.

Mr. PACE. When you speak of foreign countries in this connection you are speaking only of Cuba and the Philippines?

Mr. MARSHALL. No, sir; we will get some sugar under this bill from the Dominican Republic and from Peru.

Mr. PACE. You mean they just get 1.36 percent?

Mr. MARSHALL. Yes, sir; and a share of the Philippine deficit.

Mr. PACE. That is all the Philippine deficit is, except what Cuba gets. Cuba gets it all except for 1.36 percent.

Mr. MARSHALL. No, sir. The first relationship is 1.36 percent, if that is the correct figure, out of the original consumption estimate. But then out of the Philippine deficit such countries get 5 percent of that deficit and Cuba gets 95 percent, unless the consumption is very low so it is necessary to retain the 98.64 percent and 1.36 ratio. Unless that particular provision comes into effect at low levels of consumption the Philippine deficit is divided 95 percent for Cuba and 5 percent to other countries.

Mr. PACE. Where is that provision?

Mr. MARSHALL. I believe it is on page 10, near the top of the page there.

Mr. PACE. Really then the section under discussion, subsection (e), the increase referred to applies only to that 5 percent.

Mr. MARSHALL. That is right.

Mr. PACE. That would be the total of the penalty.

Mr. MARSHALL. That is right.

Mr. PACE. Outside of Cuba and the Philippines.

Mr. MARSHALL. That is right.

Mr. GROSS. Are all quotas established with one objective and one only, that is to limit production? Is that right?

Mr. MARSHALL. No, sir. That is merely the means that is used to obtain the objective of the quota provision. The purpose of the quota provision is to obtain stabilization in the sugar market that will enable the stabilization of production.

Mr. GROSS. Well, it means to limit production so that it does not become burdensome in the market. That is why they establish quotas, is it not? When you establish a quota you do not establish it to stabilize production, but it is established to stop production, is it not?

Mr. MARSHALL. The first objective of the quota is to have a reasonable division of the total market among the several areas. Having worked out the division, then you do in many instances have to use production limitation to keep within the quotas within the certain areas.

Mr. GROSS. Then the final answer is the quota does limit production at certain points.

Mr. MARSHALL. That is right.

Mr. GROSS. A quota is established to limit production. Now then, if you establish quotas to limit production you have another thing in mind, and that is to maintain a price—not the quantity of sugar that you get, but to maintain a price, so this is protection for somebody. A quota is established to limit production to maintain a price for somebody, isn't that right?

Mr. MARSHALL. It is to maintain a price that is fair to the producer and to the consumer.

Mr. GROSS. A little while ago you said you could not establish a fair price.

Mr. MARSHALL. You asked me if we can have a price that producers and consumers will agree is fair.

Mr. GROSS. I do not want to embarrass you, it is just that I am a realistic fellow. It just can't be done. This whole thing seems to stick out sort of silly.

Mr. MARSHALL. I think it can be done. A price that any third party will consider fair to both of them can be established.

The CHAIRMAN. There is a difference between being fair, and having prices satisfactory to both producer and consumer. I think it would be possible even with all the human frailties you can get a price that would be fair, but it might not be entirely satisfactory to both producer and consumer.

Mr. MARSHALL. I think that is right.

The CHAIRMAN. I want to ask you a question about section 206 which provides that sugar quotas shall be established pursuant to this act 10 days after the effective date of this act. That would mean that the first 10 days of 1948 you would have to establish a quota. I presume there is a sound reason for that. What is the reason?

Mr. MARSHALL. Well, I am not sure that I can give you all of them, but I can give you what my understanding is. In the first place, I believe there is the legal question of gearing this act into the act now in existence under which quotas are in suspension. I am not just sure how it would work if you merely pass this act and then it would be necessary for the President to go through some procedure to put the quotas into effect. I believe the first question there is one of whether it is easier to put the quotas into effect under this act or whether it is easier to use the words that will be required to authorize the President to do that, the quotas being now under suspension under another act.

I believe one other consideration is under this bill, the suspension of quotas on direct-consumption sugar requires a separate finding

by the President of the necessity for such suspending. It would be necessary, in the absence of putting quotas into effect by this act in this manner, to have language to cover how they would be handled during the period until the President put the quotas back into effect.

The CHAIRMAN. Of course this committee does not know, and you don't know whether we want quotas next year or not.

Mr. MARSHALL. I will say, Mr. Chairman, there is nothing in this act to prevent us, and certainly we would contemplate if that is what the situation at that time seems to make necessary, we would contemplate suspending the quotas probably after the effective date of the act, unless there is some change in the situation which would make it necessary, which we do not now foresee, at that early date.

The CHAIRMAN. You do not question the President's authority to suspend the quotas after we set them up in this particular piece of legislation. Here we specifically state a quota has to be established within 10 days after the effective date of the act. I realize, of course, under the general provisions of the act the President has authority to suspend quotas, but those are quotas set up under the general provisions of the act. Here is a quota that we are saying has to be put into effect at a certain date. Do you think there is any question about the authority of the President to suspend that quota?

Mr. MARSHALL. I would like to ask Mr. Bagwell to answer that. I think there is no question that the authority is there.

Mr. PACE. Before he answers it let me ask one question. Does this section 206 apply to producer quotas or are we talking about the quotas for the different countries?

Mr. MARSHALL. Talking about the quotas for the countries.

Mr. HILL. You are talking about sugar quotas and not acreage quotas. So we know what we are speaking of, we are speaking of the amount of sugar that the Secretary determines shall be produced.

Mr. MARSHALL. As I understand, we are talking about sections 201 and 202.

The CHAIRMAN. That is right.

Mr. BAGWELL. Mr. Chairman, the President would have full and complete authority under section 409 of the bill to suspend quotas if he finds that an emergency exists which would require that suspension. Under the Sugar Act of 1937 quotas were suspended in April of 1942, and they have been suspended ever since. This bill, if enacted, would require the President to reexamine his determination that is in effect and again determine whether or not they should be suspended under this law.

Mr. GROSS. May I ask the gentleman a question at that point?

The CHAIRMAN. Yes.

Mr. GROSS. Can we trust that authority to anyone's hands? We have had a painful experience recently when we, and the whole United States wanted sugar rationing lifted. At 4 o'clock in the afternoon the Secretary was determined to carry on this program. When he was bent over the barrel hard enough, 6 hours later he just released the rationing. Isn't it a dangerous thing to do, to give such responsibility into the hands of anyone who does or does not mean to act until the public pressure gets so heavy that he cannot do any other way?

Mr. BAGWELL. Mr. Gross, that is a policy question which I, as a lawyer, do not feel competent to answer.

Mr. GROSS. "Yes" or "No" would answer it.

Mr. DICE. I think the answer lies in the consideration of alternatives.

The CHAIRMAN. Let us get to the meat of the question. The President has authority and did suspend quotas under the act in effect.

Mr. MARSHALL. Under this act, the Sugar Act.

The CHAIRMAN. Do you think this authority is broad enough so he could suspend the quota even though Congress had specifically said a quota must be established at a certain definite time for a certain year?

Mr. BAGWELL. There is, Mr. Chairman, clear legal authority there. Of course, the President would have to make a showing, because his proclamation, as you know, is a published document. He has to make a showing of the emergency that required his finding that the quota should be suspended.

Mr. PACE. Pardon me, Mr. Chairman. To relieve all doubt, why can't you simply say in section 202, "unless the President determines, under the authority of section 409, that the national economic emergency justifies their continuous suspension" or something of that kind? Then there cannot be any doubt about it.

Mr. BAGWELL. I think that is the effect of section 206 when you read it in relation to section 409.

Mr. PACE. Then you have tied them together and you have done what the chairman seems fearful of. You can tie them together and reconcile them.

The CHAIRMAN. I wish you would give some consideration to that. Look into it very carefully so we are sure we know what we are doing.

Mr. MARSHALL. I want to point out, Mr. Chairman, if you did it that way, as Mr. Pace has suggested, that would leave presumably both the raw sugar quotas and direct consumption sugar quotas suspended, because there would not be any provision under which the President could put one into effect without the other. There is one provision where he could suspend one without the other.

The CHAIRMAN. Give some consideration to that idea, because I think there is some question about it.

Now I want to get over to the conditional-payment provision, unless there are some questions on this particular point. There have been omitted from this draft the provisions that have been contained in previous legislation relating to the payment of wages to workers, and certain provisions applying to producers who are also processors, and provisions applying to certain soil conservation practices. I would like to have you discuss the reasons why those particular provisions were omitted from this bill.

Mr. MARSHALL. Mr. Chairman, I am not sure that I can give you all the reasons. I can tell you how it has come about that they are out. The domestic sugar groups that have discussed this problem with us and with representatives of all segments of the domestic sugar industry wanted those provisions out. As the Secretary stated to you, those provisions have been somewhat of a burden to him. In the discussion of that point in the beginning he questioned the domestic people as to whether it was desirable to take out those provisions, but did point

out if they wanted to take them out, since they were quite a problem to him, he did not want to interpose any objection.

Mr. FERNÓS-ISERN. I understand the Farm Bureau of Puerto Rico that appeared here yesterday filed their written statement and they would insist that those provisions be kept in the present bill.

The CHAIRMAN. The statement of the Farm Bureau of Puerto Rico has been made a part of the record.

Then do I understand, as far as the Department is concerned, that they are indifferent about all three of these provisions?

Mr. MARSHALL. Yes. I would say the Department understood, perhaps not entirely correctly, that all segments of the domestic sugar industry had agreed to taking those provisions out. In the face of that, if all segments of the industry feel they are not needed, we see no reason to insist on the part of the Department, or we see no reason to have the Department insist that they stay in there if the people who were primarily concerned with this legislation; that is, all of the domestic sugar interests, agreed that they should be out.

Mr. PACE. Is there any more reason why it should apply to this industry than it should apply to agriculture generally?

Mr. MARSHALL. That is their position, Mr. Pace, and I am not in a position to say there is any more reason.

The CHAIRMAN. The justification for it and the reason given, was that here is an industry which is receiving certain favored treatment from the Federal Government, they are receiving payments out of the Treasury, and in order to receive the payments they were required to meet certain conditions. The payments were conditional payments.

Mr. PACE. I don't see any great distinction, Mr. Chairman, between the payments and the support-price program for other commodities.

The CHAIRMAN. The support-price program on other commodities is conditional in a good many cases. That is, if a farmer does not comply with the soil-conservation program he is not eligible for a loan. I think there is precedent, certainly in other programs, for parity payments.

Mr. PACE. I was thinking of the wage consideration. In fact, I am in favor of the soil-conservation practices.

The CHAIRMAN. Now I have one or two other questions I wanted to ask you, Mr. Marshall. In section 410 there is language which states that—

Whenever the Secretary determines that such action is necessary to effectuate the purposes of this act, he is authorized, if first requested by individuals or associations constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors—

And so forth.

Now under section 410 as it exists at present, and under the language in other parts of the bill, just what authority would the Department have to assist sugar beet and sugarcane farmers in their negotiations with processors?

Mr. MARSHALL. Mr. Chairman, I would understand that language to mean that if a substantial representation from any major segment of the domestic sugar industry should come to the Secretary and ask

him to make studies and findings and recommendations for them from the standpoint of a grower-processor division of returns, for example, since you mentioned that relationship, the Secretary would be empowered under this act to obtain whatever information is required for a study, finding, and recommendation, and then to recommend what he considers a desirable division to the industry. That is all he would do. He would merely say what he recommends as a fair division.

Similarly, if it were a determination with respect to wages, he would recommend what he considers fair. It would have no other force than that recommendation, because the conditions for payment have been removed on those factors.

The CHAIRMAN. Now section 407 provides that persons engaged in the manufacturing, marketing, or transportation or industrial use of sugar shall furnish information to the Secretary where he requests, in order to administer the provisions of the act. Just what do you understand the authority of the Department to be in administering that section? How far can you go? Could the Secretary get information under that section which could be used in putting into effect section 410?

Mr. MARSHALL. I would say "yes," Mr. Chairman. Since section 410 is a part of this act, and if section 410 was operated by one segment of the industry asking the Secretary to make such a recommendation, he would be authorized under section 407 to obtain all the information that he might deem necessary for such purpose. The only limitation on him that I would see on getting any information that he deemed necessary is merely the limitation of making public the records of any individual operator.

The CHAIRMAN. A similar provision has been in the existing law. Have you had any difficulty in getting that information?

Mr. MARSHALL. I believe, sir, we have had no difficulty in getting all the information we have asked for under the act. I believe we have not had to ask, within my remembrance, for any information under section 511, which was the similar provision. But there was some discussion by us with a grower and processor group about section 511 and what could be done under it. That was only recently, and in view of the fact that this bill was coming up, we have taken no action under that. We would like for it to be understood clearly, however, that if it is not the view of the committee that the interpretation I have given is correct, we would like to know, because we would not want to be put in the position of being asked to make a recommendation under section 410 and then find we cannot get the information necessary to make it. It is our opinion that section 407 clearly gives us that authority.

The CHAIRMAN. Are there any further questions? As far as the Chair is concerned, he has finished.

Mr. BAGWELL. Mr. Hope, before you leave that section I would like to add that the industry has questioned our authority to get the information under section 511 of the Sugar Act. In view of their position on that, the committee may feel it important to spell that out in here, if it is the committee's desire that the Secretary have the authority under section 410 to get the information necessary to make the recommendations which the section contemplates.

Mr. PACE. Would it be possible for your staff or the Department to furnish the members of the committee a copy of this bill in the shape or form where we can have the bill with the old law and new law side by side?

The CHAIRMAN. I might say Mr. Parker has it all worked out. He has it mimeographed. You can have that by Friday.

You may proceed, Doctor.

Mr. FERNÓS-ISERN. I have here a list of figures that I understand was taken from the Yearbook of Statistics of the Department of Agriculture, with the sugar-production areas. I see the maximum production of beet sugar in the whole area since 1936 took place in the year 1940 with 1,897,000 tons. The quota allowed under section 202 would be 1,800,000 tons. That is 97,000 short of the maximum average since 1936.

Now as to the cane-sugar production on the mainland, the maximum year during that decade was 1938 with 583,000 tons. The quota allowed would be 500,000, which means 83,000 tons left out.

When we come to Puerto Rico, the maximum production took place in 1941, with 1,148,000, and the quota allowed, adding together shipments to the mainland and local consumption on the island, would be 1,035,000. That is 113,000 less than our maximum year in the 10 years; 113,000 as compared with 97,000 and 83,000.

Now taking into consideration the fact that sugar is practically the basis of the island economy and that that is practically the only income we have and 2,000,000 people have to live on that, is there any reason particularly why the reduction from our maximum should be any larger, or should it not be less than reductions in other areas which have many other articles of production on which they can live?

Mr. MARSHALL. I think, Dr. Fernós, all I can say on that is this: So far as I know, no area has the amount of quota under this proposed bill that it wants and thinks it ought to have. Naturally they all want all they can get. The sugar interests from all of those areas got together and had a great deal of discussion and came to the Department of Agriculture with a suggestion on which they said they could get together and on which they could agree. It was not entirely satisfactory to the Department and suggestions were made for changes. Some changes were made to it, including some change for Puerto Rico. But it eventually reached the point where they could make no further changes and reach an agreement on it, and the Secretary of Agriculture thought they had done about as well as could be expected under the circumstances. They had made some concessions, and as long as they were in agreement on it he thought that that was a very important thing.

Mr. FERNÓS-ISERN. Of course my question specifically is why the reduction concerning Puerto Rico is the largest. It is 113,000 as compared with 97,000 and 83,000. If there was any particular reason for that I would like to know it.

Mr. MARSHALL. I don't think they set up as a standard in determining these quotas, the maximum production each area might have had in any one year and then made a uniform subtraction from that. That would not seem to be a very good basis to do it, for a number of reasons. The crop may be far out of line in any given year in any given area, up or down. For example, if you should take that type of

determination as a standard, look where you would be this year, or where Cuba would be this year with 6,400,000 tons of sugar or more.

Mr. FERNÓS-ISERN. I am referring to domestic areas.

Mr. MARSHALL. I am merely saying that big, abnormal crop in one year shows you what you would be led into. So it was not used as a standard.

Mr. FERNÓS-ISERN. Of course Puerto Rican sugar is domestic sugar.

Mr. MARSHALL. Certainly.

Mr. FERNÓS-ISERN. My next question, Mr. Chairman, would be under section 207, where foreign areas are restricted to ship their sugar raw, which I can't understand. I would like to know why Hawaii, Puerto Rico, and the Virgin Islands, although domestic areas, are restricted in refining their sugar to 29,000 tons in Hawaii and 126,000 in Puerto Rico. If Puerto Rico and Hawaii want to develop industries why cannot they refine all the sugar, as much as they want to, within the quota?

Mr. MARSHALL. Doctor, I would say on that those provisions, of course, are the same as in the present Sugar Act. I believe that the provisions that are in there are the result of a very long debate and discussion about that particular issue, which was eventually resolved in this way. As long as the industry groups have been able to agree on it among themselves and as long as it is a provision that was determined by the Congress in 1937, we have seen no reason to take a position one way or the other on that. It seems best to us to leave it as it is.

Mr. FERNÓS-ISERN. I am talking from the point of view of the public interest of Puerto Rico, the 2,000,000 citizens there who have to have an economy and who are in dire need of industrializing because they have so little land and so many people to employ. As I said, this would prevent Puerto Rico from developing industrially precisely in a matter where all the elements are there. It would mean for Puerto Rico not only more employment and more income—because there is a great difference in the price of sugar if sold as refined and if sold raw—but also the cost of shipments from the island to the mainland. This, I understand, is predicated on an agreement on the part of those who were here in drafting this bill. The people of Puerto Rico at large were not present.

The CHAIRMAN. They are very well represented in Congress.

Mr. FERNÓS-ISERN. Thank you, Mr. Chairman, but that is the first chance I had to get into this.

Mr. MARSHALL. There had been a long debate before that resulted in this provision. We have no desire to open it up again. I am sure you can speak much better than I can on what your problems are in Puerto Rico.

The CHAIRMAN. We thank you very much, gentlemen.

(Whereupon, at 12 m. the committee adjourned.)

SUGAR ACT OF 1948

FRIDAY, JUNE 27, 1947

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 a. m., Hon. Clifford R. Hope (chairman) presiding.

The CHAIRMAN. The committee will come to order. The first witness this morning will be Mr. Arthur L. Quinn representing the Porto Rican American Sugar Refinery, Inc.

STATEMENT OF ARTHUR L. QUINN, REPRESENTING PORTO RICAN AMERICAN SUGAR REFINERY, INC., PONCE, P. R.

Mr. QUINN. Mr. Chairman, I have a short statement here that I want to submit for the record.

(The statement referred to is as follows:)

WASHINGTON, D. C., *June 26, 1947.*

Hon. CLIFFORD R. HOPE,
*Chairman, House Committee on Agriculture,
House Office Building, Washington, D. C.*

SIR: On Thursday, June 19, 1947, I sent you the following telegram:

"Understand hearing is scheduled Saturday before your committee on proposed sugar legislation. You are familiar with past discrimination against Puerto Rico in limiting refined sugar shipments to 126,000 tons which in effect amounts to an embargo on American produced goods. If revised general sugar legislation is to be considered by your committee Porto Rican American Sugar Refinery, Inc., of Ponce, P. R., respectfully requests you eliminate from any proposed legislation any limitation on direct consumption sugar produced in Puerto Rico for mainland consumption. Departments of Agriculture and Interior in past have vigorously opposed such discrimination."

On Wednesday, June 25, 1947, I sent you the following telegram:

"Refined sugar industry of Puerto Rico not invited nor did it participate in any domestic area conferences and negotiations on pending sugar bill. No agreement was ever asked or made by Puerto Rican refiners to clause restriction shipments to 126,000 tons. Urgently request your consideration figure of 175,000 short tons instead of 126,000 and feel sure the compromise figure of 175,000 will satisfy the refineries of Puerto Rico and ultimately prevent a court test of this provision of the bill before you."

I want to make it clear that I have no authority to speak for all the refineries of Puerto Rico but I do represent and speak for Porto Rican American Sugar Refinery, Inc., of Ponce, P. R., which is the largest refinery in the island and solely responsible for the 126,033 short tons which has been used as the yardstick for Puerto Rico's continental white sugar quota in previous legislation and the continuation of the same amount as Puerto Rico's continental white sugar quota is proposed in legislation now before you.

I do not feel it necessary to go into detail with regard to this particular phase of the sugar legislation which you are considering. I know from your very attentive consideration of the problem of all the sugar producing areas including the refined sugar problem of Puerto Rico, that you are familiar with the broad ques-

tion involved. I do want to make it clear, however, that the company I represent was not consulted by anyone who sat in on the conferences that took place between the representatives of the various domestic sugar producing areas. Not being a member of the Puerto Rican Sugar Producers Association, the association felt that it had no obligation toward the Porto Rican American Sugar Refinery and, therefore, no opportunity was afforded my client to present its views to anyone. It is with that thought primarily in mind that I want to leave this short memorandum with your committee.

This question in the past has always been fought out on the matter of principle. We still feel strongly about the principle involved, but we also recognize the forces that oppose giving Puerto Rico the unlimited right to refine its entire production of sugar. Consequently, purely as a matter of compromise, so as to expedite the consideration and passage of the bill which you have before you, I have taken it upon myself speaking solely for the Porto Rican American Sugar Refinery to suggest that you change the figure from 126,000 and allow Puerto Rico to ship in 175,000 short tons of direct consumption sugar during each of the calendar years that this bill covers. The suggested compromise figure which represents an increase of 50,000 tons is so small when compared to over-all tonnage consumption of the United States that Congress should not be reluctant to grant this small increase. My suggestion will not meet with the approval of many who feel very strongly on this particular subject but I have made the suggestion in all fairness purely as a compromise figure and one which I hope your committee will earnestly consider and grant.

Yours very truly,

ARTHUR L. QUINN.

Mr. QUINN. Mr. Chairman and members of the committee, I take it you are thoroughly familiar with this question. I know in the past when I appeared before you, you have shown sympathy with the problem and your familiarity with all the details. What I am asking in this statement, Mr. Chairman, is that the committee give consideration to giving Puerto Rico a quota of 175,000 tons instead of 126,000 tons of refined sugar.

There is a second point I would like to make and that is this: Where you freeze the over-all quantity of white sugar coming up from Puerto Rico, some better method of allocation should be set up in the bill among the Puerto Rican refineries. You freeze the over-all amount but you provide no method of allocating that. It works very unfairly to my company in Puerto Rico, because my particular company was the one that made the white sugar quota used in this bill, and in all fairness to it, whatever the figure you use ultimately, I think that some better method should be provided in this bill to allocate whatever direct consumption quota is set up for Puerto Rico.

The CHAIRMAN. You mean allocated to these individual refineries?

Mr. QUINN. That is right. You see, my particular company made the white sugar quota figure that is in this bill. It was responsible, at the time the original act came into being for the 126,000 tons. The only company that originally made and was really interested in white sugar in Puerto Rico was the company I represent. Since 1933, there have been four or five, some small, refineries built in Puerto Rico and they have come in and have chipped away on our quota which, before the war, had been some 116,000 tons down to 79,000 tons. If you are going to freeze the over-all picture on white sugar coming in here, it is grossly unfair, in view of the fact that my client was the one who made the white sugar quota figure used in the act, and which you propose to use in this act; it is grossly unfair to permit these other refineries to go ahead and chip away on something that we were originally responsible for.

The CHAIRMAN. Would it not be rather unusual for Congress to attempt to allocate quotas to individuals?

Mr. QUINN. This act freezes the picture.

The CHAIRMAN. That is true. We haven't done that in previous legislation, we haven't attempted to allocate quotas which any particular refinery might be permitted to use.

Mr. QUINN. You do in section 205, which permits the Secretary to use his own discretion. In all fairness, I think if your committee will confer with Mr. Marshall, the head of the Sugar Section, a more fair method can be worked out than has been the case in the past.

The CHAIRMAN. Of course, if we did that, we would have to permit all the refineries to come in and present their claims. We would rather have Mr. Marshall settle these matters than let us settle the matters here, in determining what the quotas should be. I do not think that is a proper legislative function.

Mr. QUINN. All we are asking the committee to do is to confer with Mr. Marshall.

Mr. FLANNAGAN. What you are asking us to do is to give your company a monopoly on sugar.

Mr. QUINN. No; this act itself creates a monopoly on white sugar, as far as Puerto Rico is concerned.

Mr. FLANNAGAN. It does not give it to one company.

Mr. QUINN. When this act originally came into being there was only one company making white sugar.

Mr. FLANNAGAN. Do you think you have a right to freeze any other company out?

Mr. QUINN. It seems grossly unfair to permit these other companies to come ahead and chip away on something that one company is responsible for making, the sugar quota that is in the act. It just does not seem right.

Mr. FLANNAGAN. You do not believe in the system of free enterprise then.

Mr. QUINN. I surely do. But this act does not recognize it, as far as the white sugar manufacturers in Puerto Rico are concerned.

Mr. PACE. Has the Secretary attempted to allocate that quota?

Mr. QUINN. In the past prior to the Sugar Act the market was being built up. Since the war, since quotas have been suspended, you have had an interruption of shipping. Certain parts of the island could ship sugar while other parts could not. There is nothing in the act that recognizes that abnormality that existed during the war. You find the figures vary. My company had difficulties that companies on the north coast never had.

Mr. PACE. We have identically the same situation in this country, that due to shipping difficulties, the submarine menace, there were some refineries that were not able to meet their quota of raw sugar.

Mr. GOFF. Mr. Chairman, just to clear this up in my mind, you mean you got a flat quota for Puerto Rico that was based on the production that your company had originally?

Mr. QUINN. That is right.

Mr. GOFF. And now there are several other companies in production there?

Mr. QUINN. That is right.

Mr. GOFF. There is a flat over-all quota for Puerto Rico?

Mr. QUINN. That is correct.

Mr. GOFF. You are saying that these other companies participate in part of that and that, therefore, cuts down the percentage of the total that your company is able to supply?

Mr. QUINN. These other companies came in and built their refineries since the freeze took place in 1933, despite the fact that it was written into the law that no more than 126,000 tons could come in from Puerto Rico, despite that fact, they have built their refineries.

Mr. GOFF. In other words, your company will be limited to a lesser production.

Mr. QUINN. That is right. That has resulted under the rulings of the Secretary prior to the war period in cutting us down from 116,000 tons to 79,000 tons. This refinery was built in 1926, 7 years prior to the contemplation of any sugar legislation. If you freeze the over-all quota that comes in from Puerto Rico, it seems to me only fair that some fair system be worked out so it will not be an absolute destruction of the property values which existed in 1933.

The CHAIRMAN. Let me ask you what the situation was when the Sugar Act of 1937 was passed.

Mr. QUINN. There were two more refineries built.

The CHAIRMAN. Prior to 1937?

Mr. QUINN. Yes, sir.

The CHAIRMAN. And there have been some more built since that time?

Mr. QUINN. Yes, sir.

Mr. ANDRESEN. What is the total amount of white sugar that can be refined in Puerto Rico with existing facilities?

Mr. QUINN. I should say close to a half million tons.

Mr. ANDRESEN. How much of that would be used in Puerto Rico?

Mr. QUINN. Approximately 90,000 tons.

Mr. ANDRESEN. You say a half million tons can be refined down there?

Mr. QUINN. Yes, sir.

Mr. ANDRESEN. How much does the minimum quota in the bill allow for white sugar?

Mr. QUINN. One hundred and twenty-six thousand tons can be shipped in here..

Mr. ANDRESEN. What do they do with the rest of their sugar?

Mr. QUINN. They have to send it up in raw form.

Mr. PACE. At the same time the refineries in this country are only operating on a percentage of their capacity.

Mr. QUINN. They are not operating as much below the percentage of their capacity as we are below our capacity. Since the 1933 law the consumption estimate has gone up. It is close to 8,000,000 tons now.

Mr. PACE. There is no quota set in this bill, as I understand, for the American refineries that begins to give them their capacity at all. We are not trying to fight this out among the American refineries.

Mr. QUINN. The American refineries have no quota. They can refine as much sugar as they can get their hands on.

Mr. ANDRESEN. There is a limit to the amount of sugar to be shipped in interstate commerce. There is a limitation on the amount

of sugar that can be sold. The quotas assigned, according to section 202 of the bill, fix the amount that can be marketed.

Mr. QUINN. But there is no limitation on the refineries as such, I mean on their facilities.

Mr. ANDRESEN. Of course, they can refine it and store it, I suppose, and hold it over for another year. But certainly they are limited to the amount of sugar that they can dispose of.

Mr. QUINN. They are limited only to the extent of raw cane sugar that is available from Cuba, Puerto Rico, Hawaii, the Philippines, and so forth.

The CHAIRMAN. Have you any language to suggest in the way of an amendment?

Mr. QUINN. I haven't got any amendment drawn up. I suggest to the committee that they can confer with Mr. Marshall, and I will be glad to confer with Mr. Marshall and give him the benefits of my views also.

Mr. ANDRESEN. Do you want to confine it to the historic production of white sugar in Puerto Rico, say take the year 1937, or some other year?

Mr. QUINN. Something like that, yes, sir. I do think the way it is drawn up now you do not recognize the abnormalities that existed during the war as to shipping and everything else, and we think it is just unfair. I am pretty sure something can be worked out. I am not appearing here asking that we get the whole quota, I do not expect it, but these other refineries have been built since 1933, after the first quota was established.

The CHAIRMAN. When you suggest that the quota be set for the individual refineries, it does not take care of the situation satisfactorily. If you have any definite language to suggest, the committee will be glad to hear it, but we do not have very much to act on unless we have some suggestion.

Mr. QUINN. Will you permit me to work on an amendment and submit it to you before the day is over?

The CHAIRMAN. Yes.

Mr. FLANNAGAN. Why do you object to other companies going into the white sugar business?

Mr. QUINN. I would not object, but you in this bill get away from the free enterprise system. The very fact you limit it to 126,000 tons is an illustration that clearly shows that you want to freeze the refining picture in Puerto Rico.

Mr. FLANNAGAN. We are not keeping you from shipping it here, are we?

Mr. QUINN. The normal market is in the continental United States.

Mr. PACE. Let me get this straight. The refining capacity in the continental cane refiners is approximately 7,000,000 tons. The amount of raw sugar available to the United States refineries under this pending bill is 4,750,000 tons.

Mr. QUINN. That is quite true.

Mr. PACE. So they would get only about 64 percent of their refining capacity. As far as I know, they have not asked to legislate in this bill and allocate this 4,750,000 tons among themselves.

Mr. QUINN. The continental capacity to refine has always exceeded the amount of sugar that is available for refining, there is no question

about that. The question was asked me how much capacity there is in Puerto Rico to refine, and I said a half million tons, which is about right, but we never expect to reach that figure.

MR. PACE. The only point I was making was it seems to me if we get into allocation among the refineries in Puerto Rico, the companies in the continental United States will also be here asking for allocations.

MR. QUINN. No; because their picture is not frozen, sir.

MR. PACE. It is practically frozen.

MR. QUINN. There is nothing in the bill that would say how much National can refine or how much American can refine, or any other particular company.

MR. PACE. But you want us to do that in the case of your company.

MR. QUINN. Under section 205 we are forced to go in before the Secretary of Agriculture and he is forced to make an allocation between the individual companies, which is the very point I make.

MR. FERNÓS-ISERN. Why is it that the figures seem to show that the amount of sugar which the continental refineries can refine is only 4,000,000 tons, when the total consumption on the continent is 7,000,000 or 8,000,000 tons? Who refines the rest?

MR. QUINN. The answer to that is that you have 1,800,000 tons in beets, and you have some refined sugar coming from Cuba, and you have some coming from Hawaii.

MR. FERNÓS-ISERN. You mean Cuba sends sugar up here that is refined?

MR. QUINN. To the extent of 375,000 tons, as provided in the bill.

MR. FERNÓS-ISERN. That is all they can ship in?

MR. QUINN. That is right.

MR. FERNÓS-ISERN. Cane sugar is what we are talking about, isn't it?

MR. QUINN. You cited the over-all sugar figure which includes beets and cane.

MR. FERNÓS-ISERN. With reference to cane sugar, how much cane sugar in the raw state is supposed to come to the mainland?

MR. QUINN. The figures that Congressman Pace cited are approximately correct.

MR. FERNÓS-ISERN. 4,750,000 tons?

MR. QUINN. That is correct.

MR. PACE. 4,750,000 tons.

MR. FERNÓS-ISERN. There is no more sugar to refine; that is the limit; is that right?

MR. QUINN. That is approximately the amount that will come here in raw form.

MR. FERNÓS-ISERN. Puerto Rico being a domestic area and our refineries there being domestic refineries, they are limited to only a certain amount. They were organized within the free-enterprise system, and they are trying to refine in competition with other refineries.

MR. QUINN. That is right. I know you oppose what I suggested here this morning, you oppose the fact that I suggested 175,000 tons, but I have got to be practical in this whole picture. Puerto Rico just will not be able to, nor is it profitable for Puerto Rico to, refine and ship all the sugar here in refined form.

Mr. FERNÓS-ISERN. I want to make my position clear. I do not understand why Cuba should benefit in the amount that it is benefited from the Philippine deficit. As far as Puerto Rico and Hawaii are concerned, being domestic areas, I do not see why any limitation to our refineries is necessary.

Mr. ANDRESEN. Let me ask you another question. Of course, we realize you can probably have facilities in Puerto Rico to refine all of your raw sugar.

Mr. QUINN. No, sir; we do not.

Mr. ANDRESEN. No; but you could.

Mr. QUINN. I will answer that question in this way, Congressman. Because of the mountain range that goes east and west in Puerto Rico it is a physical impossibility to transport raw sugar to a refinery beyond a certain distance, because the costs are so high. It takes 3 hours to get from the north coast to the south coast in an automobile. Therefore, beyond a certain point it becomes unprofitable for any refinery to reach out and get raw sugar in Puerto Rico to refine. I will answer your question by saying there is not the slightest chance in the world for Puerto Rico to refine all the sugar from the cane it grows. My honest opinion is that Puerto Rico would probably not refine for the continental market more than 250,000 tons at the outside. There are other witnesses here that are more qualified on that than I am, but that is my honest answer to your question.

Mr. ANDRESEN. If they can refine 250,000 tons, how much of that would be used in Puerto Rico?

Mr. QUINN. About 90,000 tons.

The CHAIRMAN. Are there any further questions of Mr. Quinn?

If not, we thank you, sir.

Mr. QUINN. Thank you, sir.

The CHAIRMAN. The next witness will be Mr. William Glazier, representing the International Longshoremen's and Warehousemen's Union.

STATEMENT OF WILLIAM GLAZIER, WASHINGTON REPRESENTATIVE, INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION, CIO

The CHAIRMAN. Mr. Glazier, you are representing, as I understand it, the International Longshoremen's and Warehousemen's Union.

Mr. GLAZIER. I am William Glazier, the Washington representative of the International Longshoremen's and Warehousemen's Union, CIO.

The CHAIRMAN. You may proceed, Mr. Glazier.

Mr. GLAZIER. The International Longshoremen's and Warehousemen's Union is the collective-bargaining representative for about 28,000 sugar workers in the Hawaiian Islands. As an organization with a real stake in the sugar industry we appear before the committee today to present our views on the bill entitled "the Sugar Act of 1948," and specifically on the absence of certain provisions which were so significant in the philosophy and administration of the Sugar Act of 1937. These are embodied in section 301 of the present act.

When the late President Roosevelt sent his message to Congress on March 1, 1937, recommending a new sugar act, he listed the various

groups which would find protection under the act, as they had under the old Jones-Costigan Act. These were the consumers, the growers, the processors, and the workers. He had this to say about the men, women, and children who labor in the sugar fields:

It is also highly desirable to continue the policy, which was inherent in the Jones-Costigan Act, of effectuating the principle that an industry which desires the protection afforded by a quota system, or a tariff, should be expected to guarantee that it will be a good employer. I recommend, therefore, that the prevention of child labor and the payment of wages of not less than minimum standards, be included among the conditions for receiving a Federal payment.

The CHAIRMAN. Would you mind interruptions?

Mr. GLAZIER. No, sir.

The CHAIRMAN. The committee print we are considering does contain a provision with reference to child labor.

Mr. GLAZIER. That is right, sir, I realize that. These provisions were, as you know, embodied in title III, section 301, paragraph (a) and paragraph (b) in the Sugar Act of 1937. But of these two provisions, only the child-labor provision is included in the Sugar Act of 1948 proposed to this committee by Secretary of Agriculture Anderson on June 21. We feel this is a departure from the spirit of the Sugar Act of 1937 and its very purpose. We also feel there could be no excuse at this time when the costs of living in the United States and in the off-shore domestic producing areas is at all-time peaks, for dropping a provision which guarantees that workers in the cane and beet fields be paid a minimum wage.

It is our understanding that a spokesman for the Department of Agriculture stated here that since all segments of the industry were in favor of discarding this provision, the Department had no objection. However, neither the workers nor the small farmers who are protected under section 301 were ever consulted. They, too, are a part of the sugar industry, and since they are so directly involved, one would have imagined that the Department of Agriculture would have consulted the organizations representing these people. This was not done.

I would like to discuss section 301 and what it has meant in the past. The present labor provision has two parts. It makes clear, first, that all workers shall be paid for work performed, and, second, that they shall be paid not less than rates declared fair and reasonable by the Secretary of Agriculture.

As for the first of these conditions, that all workers shall be paid for work performed, the intent of that is to make certain that the abuse of nonpayment or incomplete payment is eliminated.

I have here a recent report of a Federal interagency committee on migrant labor, and this report analyzes the labor laws applicable to agricultural labor in States of the United States. In the following States, which are significant in the sugar industry, there are no provisions for State aid in the collection of wages: Colorado, Florida, Idaho, Iowa, Kansas, Louisiana, Minnesota, Montana, Nebraska, North Dakota, Ohio, and Washington. Also in the Territory of Puerto Rico there is no provision for State aid in wage collection for agricultural workers. The new act, of course, does away with this protection.

In appendix H—

Mr. FLANNAGAN. Right there, before you leave that point, had some of the laborers failed to receive their wages?

Mr. GLAZIER. The point I was making, sir, was that in the original act provision was made that workers would be paid in full. That was a condition for receiving payment.

Mr. FLANNAGAN. Had laborers experienced any trouble in collecting their wages?

Mr. GLAZIER. It is my understanding that there had been problems sometimes, if not in nonpayment, then in not getting complete payment; yes, sir.

Mr. GOFF. Mr. Chairman, may I ask a question?

The CHAIRMAN. Mr. Goff.

Mr. GOFF. You say there is no law in Idaho pertaining to nonpayment?

Mr. GLAZIER. I am quoting from this study. I am not familiar with the State laws. This is a recent study of the Federal Interagency Committee on Migrant Labor. Appendix H is a table entitled "State Labor Laws Applicable to Agricultural Workers," Mr. Congressman, and under the section of Wage Payments, it indicates those States which give State aid in wage collection. As I read the table here, sir, Idaho is not listed as one of those States.

Mr. GOFF. I understand, though, you went further and said there was no means of collecting.

Mr. GLAZIER. I am sorry if I gave that impression.

Mr. GOFF. Idaho, of course, has very stringent statutes in regard to that.

Mr. GLAZIER. I was referring to the State labor laws applicable to agricultural workers which give them State aid in wage collections.

Mr. GOFF. What do you mean by "State aid"? You mean the State provides some officer whose duty it is to collect, or does it put up money to pay court costs?

Mr. GLAZIER. May I read from the report?

Mr. GOFF. Yes.

Mr. GLAZIER. It says:

Agricultural workers are frequently excluded from laws which require regular, periodic payments of wages. In addition, the majority of laws included on the chart apply to "companies" or "corporations," thereby excluding large numbers of farm workers. In some States labor departments are authorized to aid in collecting unpaid wages.

Mr. GOFF. I see. That is all.

Mr. ANDRESEN. Will the gentleman yield?

Mr. GOFF. That is all I have.

Mr. ANDRESEN. Does your organization recommend that there be State and Federal laws to assist migrant workers in collecting their pay?

Mr. GLAZIER. I am not making a recommendation of that sort.

Mr. ANDRESEN. If we were to have a law of that kind, we probably should also have a law to aid the merchants to collect the bills that are left unpaid by some of the workers. You are recommending that this act include the provision of the old act?

Mr. GLAZIER. That is right, Mr. Congressman.

Mr. ANDRESEN. So that the processor cannot be paid nor the farmer cannot be paid unless he pays his labor?

Mr. GLAZIER. That is right, sir.

Mr. ANDRESEN. Would you have an objection to the inclusion of a similar amendment that the merchants and others be protected who do business with the migrant workers?

Mr. GLAZIER. I do not know that this is the act for such a provision, sir. Shall I proceed, sir?

The CHAIRMAN. You may proceed; yes.

Mr. GLAZIER. The second part of the labor provision of the 1937 act as you know, made the payments of fair and reasonable wages a condition of receiving the payments under the act.

This represented a new approach in the treatment of agricultural workers, and what is more significant, in the treatment of labor in an industry with tariff protection.

For many years protective systems have been defended on the ground that labor shared in the benefits derived by industry from such protection.

Under the Sugar Act of 1937 a portion of such benefits is for the first time specifically reserved for workers.

The significance of this cannot be overstressed. The Sugar Act of 1937 exclusively recognized that agricultural laborers are entitled to share in the benefits provided by our national farm programs and by the protective tariff and subsidy measures adopted by the Federal Government. The proposed bill throws all of this into the dust bin.

During the war years, because of competition for a very short supply of labor, growers in most areas found it necessary, as they had not in former years, to pay wages higher than those required for compliance under the Sugar Act. The prescribed rates served less as prevailing wages than as a protective minimum.

At the same time, these prescribed rates served as a stabilizing factor, since the wage rates announced in one year were based generally on standards used in other years. That is, there was a continuity as the Department of Agriculture made its determination.

Removing this provision at the present time, in a period of increasing supply of labor and keener competition among workers for jobs, is an open invitation to wage cutting.

I want to say something about the term "fair and reasonable." The term "fair and reasonable" in this section has been related to the benefits of the act. The main consideration has been the allocation to wages of a customary share or percentage of the gross returns per acre or per ton of beets. In the past, changes in the minimum wage have been allied closely to changes in gross returns per acre or per ton of beets, although other factors, such as changes in the cost of production or in cost of living, are given consideration. This is in contrast with minimum wage determination in other employments; in these employments, certain minimum standards of wages, determined independently of gross returns or other criteria of the economic status of employers, are usually the overriding consideration.

For example, from 1939 to 1945, under these wage determinations, the hourly rate in sugar-beet farming in Washington and California increased 39 percent for thinning, 46 percent for harvesting, and 60 percent for hoeing. Composite farm rates rose 251 percent in Washington and 179 percent in California over the same period. These figures are from a recent study of the Department of Labor.

Mr. ANDRESEN. May I suggest—of course, the wage increases in that area were somewhat similar in all lines. I know, for instance, in the dairy industry, where they had been employing milkers for \$100 a month, they had to pay over \$200 a month back in 1945, the period to which you refer.

Mr. GLAZIER. Yes.

Mr. ANDRESEN. That was due to a scarcity of labor because of attractive wages paid in other industries for labor. I do not think you can use the same yardstick now.

Mr. GLAZIER. The only point I wanted to make in this example, Congressman, was to indicate that these wage determinations, as they have operated, have not had the effect of driving wages up very rapidly, or bringing about wage increases which were out of line with the wage rate paid to other agricultural workers. On the contrary, as these figures indicate for these two States, the increases lagged behind in this particular period.

Mr. ANDRESEN. I cannot quite agree with you. We held some hearings on the west coast in 1945. We went into the cost of agricultural labor, and we found the competition between industrial and agricultural labor forced the agricultural wages up considerably, the same as they were in industry. I have figures to bear that out. So if you take the rest of the country into consideration, you will find another picture. Mr. GLAZIER. Despite these limitations, however, the sugar field workers have had the assurance that before their employer received any payment from the Federal Government, they, the workers, would have to be paid, and at a rate approved by the Department of Agriculture. This protection, flimsy as it was, would be denied the sugar workers under the new bill.

Instead of agreeing to destroy this single guaranty, it would be more to the point for this committee to investigate means of strengthening this section of the Sugar Act. For example, one might suggest establishing standards under which the workers would benefit from and share in the technological development in the industry itself. And in the actual determination of wages it might be profitable to have area committees composed of growers and workers, with a representative of the Department of Agriculture present. These committees could make the recommendations out of their own practical experiences and relationships, of their knowledge of the industry in that particular area and for a given crop. In this manner you could have greater local interest and participation in the establishment of the fair and reasonable wage.

I just want to say one further thing about the labor section, and that is I cannot help pointing out that when the Mexican workers came into this country during the war the contract between our country and the Mexican Government provided that, as far as Mexican workers were concerned, they were to receive medical attention, transportation, and they even set a minimum weekly wage for them, or a minimum weekly earning, which is something that American agricultural workers have never enjoyed.

Incidentally, when I speak of agricultural workers in this context I am referring not only to the workers employed on beet, but the many small farmers in Florida and Louisiana who supplement their income by working in the canefields during the harvesting period.

This leads me to another part of section 301 which has been discarded under the new bill. Section 301 (b) provides that grower-processors who intend to apply for Federal sugar payments are also required to pay fair and reasonable prices for cane or beets bought from other growers. This paragraph was included for the protection of small farmers. Processor-producers grow a substantial part of all domestic sugarcane and receive relatively large conditional payments. Consequently the terms of the fair-price determinations become the general basis for the purchase of sugarcane. Small growers who are assured protection under the Sugar Act have been stripped by the new bill.

I have confined my comments to the deletion of paragraphs (b) and (c) from section 301, and the fact that the paragraph dealing with the guaranty of paying the minimum wage and processor-grower to pay a fair price, were all dropped from the new bill.

Mr. HILL. Mr. Chairman, may I ask a question?

The CHAIRMAN. Mr. Hill.

Mr. HILL. This committee has had under consideration a permanent farm-labor program. Would you not suggest, or would it not be better to have the minimum wage and many other recommendations included in that bill rather than in a bill that provides regulation for one industry?

Mr. GLAZIER. I certainly am in favor of legislation of the sort you are referring to, Mr. Congressman. As I pointed out, the thing that was so significant about the minimum wage and the manner in which it was determined under the Sugar Act was that here we have an industry which was getting a certain kind of protection, and procedures had been established for everyone in the industry to share in the benefits, including the workers. This is something which I think is very desirable and very necessary, and I see no reason why it should be dropped.

Mr. HILL. The question that comes to my mind is this: When this legislation was passed in 1937, your farm-labor situation was altogether different than it is today. Mr. Andresen mentioned the farmer competing with industrial plants. Today going on in my own county is construction work to finish a great irrigation project. They are paying as much as \$1.20 an hour for shovel, spade, and pick work. If you think that does not affect every little business around that territory, you are all wrong; because do you think, as a laborer, you will work in an ice plant or in a sugar beet field and other jobs at 75 cents an hour when you can go on the mountainside and get \$1.20 an hour for the same number of hours? So you see it does directly affect every farmer in the community and every little industry.

Now, you come along and say you want us to put that into effect in one specific industry when, as I say, the whole business belongs in that permanent labor program.

Just as soon as the great dam is finished, then that pressure for labor will disappear, but you propose to freeze us here. You know what the farmer will do. He will just say, "To heck with the labor. I will just farm what I can," and the rest of the crowd will follow him. We found this true in the paying of herders. I am not arguing that they were paid enough. They were getting \$40, \$50, and

\$75 a month previous to the war. During the war did the price of herders increase? It certainly did. It went as high as \$175 to \$200 a month. Can we keep it up there? Of course we cannot keep it up. What will a farmer do? He will cut his flock; disperse it. He will be compelled to. What will happen to labor?

All you are talking about should go into a permanent labor program.

Mr. GLAZIER. I do not think I am making a proposal to freeze wages at some high level, nor do I want to crack down on anybody, but we have had legislation which included these provisions, Congressman. Now, a provision is made for a new Sugar Act which dropped them out. They are now excluded. They were part of the old philosophy in the administration of the old act. They were there for a given purpose. I think it was a very good idea, and it did a good thing, and I can see no reason at this time to make this kind of specific discrimination.

Mr. HILL. We do not entirely disagree. We disagree in the way to bring this about. I say we should write this kind of labor legislation in a permanent piece of legislation.

Mr. GLAZIER. It is easing up.

Mr. HILL. It is easing up. I hope we do not have it easing so much that we will have men idle.

The CHAIRMAN. Are there any further questions?

If not, we thank you very much, Mr. Glazier.

The next witness will be Mr. Robert K. Lamb.

STATEMENT OF ROBERT K. LAMB, LEGISLATIVE REPRESENTATIVE, UNITED STEELWORKERS OF AMERICA, CIO

The CHAIRMAN. Will you state for the record, Mr. Lamb, your full name and whom you represent?

Mr. LAMB. My full name is Robert K. Lamb, of Washington, D. C., and I am the legislative representative for the United Steelworkers of America, and I am here representing the national CIO in connection with this proposed legislation, the committee print, and also the bill introduced by the chairman, Congressman Hope.

I will make my testimony very brief by saying that the national CIO is interested in this particular legislation, because it is our belief, as Mr. Glazier has indicated, that when this legislation for the beet-sugar industry was first drafted, it had the intention of maintaining a balance within the industry between the various factors, and that it has served that purpose well, and we know of no reason why the proposal which Congressman Hope has made of a continuation for another year without alteration in these relationships should not be proceeded with, and consequently we are here proposing the continuation at this time.

I myself have been interested in the problems of the beet-sugar worker, insofar as he is a migratory worker, from the time when I was employed by the House Committee on Migration, and what I know with respect to these matters has to do with the very definite and serious problems which existed over a long period of years for not all but many of the workers in the beet-sugar industry who have been migratory.

The beet-sugar industry, as this committee well knows, has had to rely upon this type of labor over the period of many years. The war altered that situation some, but not completely. As you know, there

was throughout the war a continuous demand on the part of the industry for the importation of Mexicans to supplement the supply, and many hearings were had by war agencies in this connection.

One of your committee has pointed out that at the present time in most places the demand for labor is such, in industries other than the beet-sugar industry, that it is desirable to let these wages find their own level. The indications are, it seems to me from information that has come to us, particularly from the west coast, that there is already developing an agricultural labor surplus, in some places, and I think an investigation, especially on the west coast at the present time, would show that this is creating some serious local problems for the public authorities in the way of assistance for these people.

Now, obviously, if that agricultural problem grows and the number of people moving from one place to another in agricultural regions increases, this type of balance within the industry is going to become so much the more important.

I think before the committee launches upon the proposal, which I believe was made by the Secretary of Agriculture, that you at this time abandon the minimum wage machinery and the other machinery for taking care of the smaller farmer in the industry, that it will be well for the committee to give more time and consideration to the matter than can be given this year, and if some change in the machinery is needed, to proceed with that, but in the meantime to permit the proposal as originally brought in by the chairman of this committee to be carried out.

I think that covers the points I had in mind making to this committee. If the committee desires, I will be glad to see to it that the CIO submits, in written form, a somewhat more extended statement for the record.

The CHAIRMAN. If you desire to submit a statement, the committee will be very glad to have you do so.

Are there any questions?

Mr. HILL. I might say this, Mr. Chairman, if I might be permitted: There is a definite effort being made at this moment to mechanize the beet industry. We have had testimony before this committee that in about 7 to 10 years we can have the beet sugar industry practically mechanized, and stoop labor, as we call it, will almost disappear. At that time, of course, we will not have any reason to bring in Mexicans, or bring in even our American laborers in those sections. I might say that every beet producer, in my judgment, will be glad of the day when he can mechanize his beet production.

Furthermore, we are trying our best to make more efficient these farm laborers. There are many families in our territory that have come up to work only for a while in the beet season and became permanent workers on farms and we are getting more permanent farm laborers.

Mr. LAMB. I might say this: Mechanization in industry has been going on for some time. In fact, during the period we were investigating the matter before the House committee it was already in sight. My point would be that in this period of transition obviously those operations which are mechanized are going to have an effect on those operations which are not, and on those people who are not. In the interval, even on farms where there is increasing mechanization, there

is going to be a reduction in the amount of time needed by the workers who are there, and probably a decrease in their employment while they are at the site of the operation, and by the same token, on those farms which are not so mechanized but will sooner or later have to be, they will be in competition with those which are, and this is another argument for some kind of maintenance of machinery until this thing can be surveyed and worked out.

Mr. HILL. Isn't that a good argument for the statement I made when the other witness was on the stand, that what we need to do is to work out a permanent farm-labor program?

Take beets, for example, this question we are speaking about this morning, we should work it out in a permanent farm-labor program rather than write it into this legislation.

Mr. LAMB. I agree, Congressman, that a larger program is needed, but I would say this is not a question of writing it into the legislation but of keeping something that already exists, and of attempting, in the interval, to discover how it fits into the larger program.

Mr. HILL. The gentleman understands why it was written into the legislation in 1937. It was written in there because of your labor situation at that particular time. That situation does not now exist. Of course, when you say it is going to exist, that is just guessing.

Mr. LAMB. I can only here say that there are these evidences in certain parts of the country where large-scale use of agricultural workers and especially migrants goes on, and that the evidence seems to be that those surpluses, at least for part of the season, are developing and creating problems.

Mr. HILL. You would not be venturing a statement, would you, that the great State of Kansas will not be advertising for harvest hands to harvest its grain crop?

Mr. LAMB. No, sir.

Mr. HILL. The Great Plains section is anticipating a record wheat crop, and I thought they would need lots of help.

Mr. LAMB. I don't think there is question but that in 1947 most of the farmers are going to need all the help they can get.

Mr. HILL. That is all.

The CHAIRMAN. If there are no further questions, we thank you very much, Mr. Lamb.

The next witness will be Mrs. Elizabeth Sasuly.

STATEMENT OF MRS. ELIZABETH SASULY, WASHINGTON REPRESENTATIVE OF THE FOOD, TOBACCO, AGRICULTURAL, AND ALLIED WORKERS UNION, CIO

Mrs. SASULY. My name is Elizabeth Sasuly, and I am the Washington representative of the Food, Tobacco, Agricultural, and Allied Workers Union, affiliated with the CIO. I am appearing here on behalf of my organization.

The CHAIRMAN. You may proceed.

Mrs. SASULY. Our organization, Mr. Chairman, has had considerable experience with the operation of the fair and reasonable wage determination mechanism under the Sugar Act. We can see absolutely no reason, at a time when we are facing, we believe, serious developments which will, to a considerable degree, duplicate what we had in

the thirties, in which there will be large surpluses of agricultural labor—although that situation has not as yet developed except in certain areas—we can see no reason at this particular time for dropping the labor provisions of the Sugar Act.

I believe the basic reason for the original incorporation of these wage determination provisions in the Sugar Act was the fact that the producers were obtaining certain benefits, and there was an attempt, a very correct attempt we believe, to see to it that those benefits were not obtained unless certain conditions were also met with respect to the sugar beet agricultural wage workers. With respect to the reasons for the wage guaranties, we see no change in the situation.

It is proposed that these benefits to the sugar-beet producers still continue. We believe the same contingency of these benefits upon meeting the fair and reasonable wage requirements provided for in the act should continue.

We think that the proposal for the extension of the act for 1 year, made in the bill introduced by the chairman of the committee should be accepted. We see no reason for the acceptance of the substitute proposal made by the Secretary of Agriculture.

I do not have a long statement to make. I would just like to mention one point. There has been some reference here to proposed permanent legislation that is being considered by your committee. I presume the reference is to H. R. 3367 which is before this committee.

The CHAIRMAN. I think Mr. Hill had reference to permanent agricultural labor legislation.

Mr. GRANGER. That is not farm legislation that only deals with migrant workers.

Mr. HILL. You don't mean to say the beet laborers are arbitrary?

Mr. GRANGER. I am saying the legislation we are considering in reference to a general farm-labor program does not only deal with farm workers other than migrants.

Mrs. SASULY. I agree with the statement made by the Congressman, and I want to say just a few words about H. R. 3367 and what it does not deal with, in fact, what it specifically prohibits. I am sorry I do not have a copy of the bill with me, but I am sure everyone on the committee is familiar with it.

That bill provides—and I will be glad to cite the section to you—that the agencies of the Government which deal with the farm-labor problems shall do nothing to set any type of wage for farm workers. It is a little difficult for me to understand, and as far as I know this is the only farm-labor legislation specifically before this committee, how a bill, unless radically modified, and we certainly hope that it be radically modified, could provide for the sugar-beet agricultural workers, or any other agricultural workers, with respect to wages when there is in that bill a provision saying that nothing shall be done to establish any type of wage standards not even prevailing wages, when farm labor is moved across State lines.

I do not want to go into all the aspects of H. R. 3367 because I have heretofore presented, on behalf of my organization, a statement on that bill and it has been filed with your committee. However, it seems to me, in view of the fact that there has been no proposal that I know of in this Congress to extend the benefits of the Wages and Hours Act to agriculture labor; there has been no proposal that even a pre-

vailing wage must be paid (and this is something which was in effect, by administrative regulation, before the war, and in the early days of the war, before the farm-security program on that point was done away with) there has been no proposal to do anything like that, and it seems to me, in view of this, unless proposals were to be made by the committee to extend the Wages and Hours Act to agricultural labor, which we heartily support, that this committee ought to continue the specific type of wage determination for sugar workers.

Incidentally, this is the setting of a fair and reasonable wage; it is not freezing of wages, as an earlier witness has pointed out, when they may be at temporary abnormally high levels. To take away that benefit from a group of workers who have no benefits under any Federal legislation whatsoever and who, because in this instance the producers are obtaining very specific benefits, are certainly entitled to a very small share in those benefits in the form of a fair and reasonable wage, is certainly a scandalous proposal.

That is all I have to say, Mr. Chairman.

The CHAIRMAN. Are there any questions?

Mr. ZIMMERMAN. Do you think they are paying a wage now comparable to other agricultural commodities?

Mrs. SASULY. I think it varies very much, Mr. Congressman. I think in many instances they are not. I think perhaps in some instances they may be. I would say that the real point there is that whatever the temporary situation may be, there is no floor under the wages of agricultural workers. The agricultural worker has no guaranty that with the development of a surplus labor situation he will have any place to work.

Mr. ZIMMERMAN. Have you ever lived on a farm?

Mrs. SASULY. I haven't lived on a farm, but my father has a farm in Michigan, and I have spent quite a good deal of time there.

Mr. ZIMMERMAN. You do not know anything about the practical operation of a farm?

Mrs. SASULY. I certainly am not a practical farm expert in any sense of the word. However, my father is a farmer.

Mr. ZIMMERMAN. Have you gathered any statistics on the question of the wages paid by farmers to farm workers as compared with the price that the farmer gets. I think he always paid just as much as he could possibly pay, as the price he received for his products would justify him to pay. Hasn't that been the history of agriculture?

Mrs. SASULY. I am sure, Congressmen, I would like to think so, and I know in many cases farmers pay just as much as they can pay, but I am afraid, over a period of years, if you look at the figures, I do not believe they would sustain that point.

Mr. ZIMMERMAN. You would not want the farmer to pay more than he would be justified in paying as measured by the price he gets for his commodities, would you?

Mrs. SASULY. Congressman, in the case of the sugar industry, the farmers are getting very definite benefits from the Government.

Mr. ZIMMERMAN. I don't know about them getting special benefits from the Government.

Mrs. SASULY. I am testifying to that.

Mr. ZIMMERMAN. The people in my district who are chopping cotton, which is a simple operation, are getting from \$5 to \$7.50 a day.

That is what our farmers pay just for chopping a few weeds, the simplest operation known on the farm.

Mr. GRANGER. Do you remember the day when they got less than a dollar a day?

Mr. ZIMMERMAN. Yes, but I remember the farmer getting 5 cents a pound. Do you remember when they were getting 5 cents a pound? That was less than it cost to produce the cotton. He cannot pay anything on that, in fact he is going into the hole. I say, if you look into this thing, agriculture has paid all that the industry would justify, and it would gladly do so. That is my experience, and I was reared on a farm and have been associated with it all my life.

Mrs. SASULY. Congressman, isn't it true that many industries, not all industries, but many industries, pay what they feel they can pay, and yet the Congress has seen fit to pass a minimum wage law which will put a minimum floor under wages in industry?

Mr. ZIMMERMAN. Other industries have not done it, but I am speaking of agriculture. The farmers of this Nation have always been willing to pay an adequate wage, if they got a fair price for their commodities. They always boosted the wage along as the prices went up for the commodities they grew. That has been my experience in all my years. I was reared on the farm, and I know what the farmers have paid and what the problems of the farmers are, at least in Missouri.

Mrs. SASULY. I cannot speak for Missouri, Congressman, but I can speak from considerable experience in California. I know the big corporate farms like the Balfour Guthrie ranches and Tagus ranch in California. They are not small farmers who want to pay as much as they possibly can to the workers—I know that these big farm corporations are not responsive to the needs of the workers in terms of wages and in terms of prices that they receive in California.

Mr. POAGE. Mr. Chairman,

The CHAIRMAN. Mr. Poage.

Mr. POAGE. I am just wondering if you see any good reason why the cost of farm labor should not be considered as one of the factors in determining a fair price for agricultural products?

Mrs. SASULY. You are referring to what was the Pace amendment?

Mr. POAGE. I am just asking you if you know any good reason why the cost of farm labor should not be included in determining what is a fair price for farm products?

Mrs. SASULY. Well, Congressman, we believe that the purpose which would have been served by that legislation when it was originally proposed, and particularly the purpose which would be served by it at this time, when ultimate prices to consumers are getting as far out of hand as they are, would be to increase the inflationary situation in which we are and to raise prices to the consumer in a way which we do not think would be justified.

Mr. POAGE. You think the price should remain down to the farmer and that he at the same time be required to pay high wage costs and then not be able to reflect those high wages in the price of his product?

Mrs. SASULY. No, sir; we believe that the support-price program for farmers should continue. We believe that the drastic cuts made in the various programs for farmers should be restored and those programs expanded. We believe, and have so testified and stated before com-

mittees of this Congress, that many types of aid should be given to the farmer, aid such as has been given in the past, and with further guaranties for the future.

Mr. POAGE. Let us talk about the support-price programs that you want to maintain. What is the support price on cotton? It is about 24 or 25 cents, isn't it? It is around 25 cents, or probably a little under. Now, it is pretty generally recognized, and I do not suppose you will dispute the fact, that the price of cotton per pound represents approximately the wage per hour that the grower of cotton gets paid for the labor that he puts into the growing of that crop. I do not say that is exactly the ratio. I know on one farm the farmer may make 30 or 35 cents, or even 50 cents an hour for his work, but some other farmer may make a good deal less, but taking the Nation over, the price per pound that cotton brings has a direct relationship to the wage per hour that the crop will pay for the number of man-hours required to grow that cotton. That means the support price for the cotton farmer is approximately 25 cents an hour for his work. Do you think he is robbing anybody at that sort of wage?

Mrs. SASULY. Congressman, I cannot answer your question about the relationship of the price per pound to the wages per hour. I am not good enough at arithmetic to figure that out offhand.

Mr. POAGE. Do you know that more than half the farmers in America grow cotton? Most people don't know it. I am not charging you with ignorance, you understand, but actually more than half the farmers in America grow cotton. Consequently, we are not talking about one isolated or small segment of agriculture, we are talking about half the farmers in America when we are talking about cotton.

Mrs. SASULY. What I wanted to say, Mr. Congressman, when I mentioned support prices, was that we are in favor of guaranties which will give the farmer security into the future in his production. I am not an expert in the field of cotton and I cannot contest and I would not want to contest your figures there, but when I talk about support prices, and we support this program for farmers, that is what I mean.

Mr. POAGE. How high would you be willing to support cotton?

Mrs. SASULY. Congressman, I am not qualified to answer that question; I am sorry. I do not know the answer to it.

Mr. POAGE. People do not like to talk about cotton and yet more than half the farmers in America grow it.

Mr. GRANGER. Too many of them.

Mr. POAGE. Undoubtedly so, but they have got to live on whatever it brings, and yet the public seems to think we are charging too much. Do you think that farm prices are too high today?

Mrs. SASULY. I do not think farm prices are generally too high today. I think an awful lot is going to the middleman, between the farmer and consumer; the spread is too great.

Mr. POAGE. I am talking about the prices that the farmer gets for his product. I am talking about the price that the farmer gets for his wheat when he hauls it to the elevator and sells, and I am talking about the price that the farmer gets for his cotton when he hauls it to the market.

Mr. SASULY. We are in favor of good prices for farmers.

Mr. POAGE. You do not think the present prices are too high?

Mrs. SASULY. I haven't studied the situation exhaustively, but my statement holds, we are in favor of high and good prices for the farmer, and we also want the farmer to have security.

Mr. POAGE. I am glad to have you say the prices are not too high, because so many of the labor organizations seemed to indicate that they thought the farmers are making too much and that the farmers are holding up the public. The dress you are wearing cost about \$50 or \$60, when it should cost \$15.

Mrs. SASULY. No, sir; I feel very strongly about that, and I speak for my organization. We do not think the farmer is holding up the public. We believe a lot of other people are holding up the public, but the farmers are not holding up the public.

Mr. POAGE. I am glad to hear that you think so. I hope you will think this thing over and agree that the farmer is entitled to add to his cost the increases he has to pay for farm labor. I am in hearty agreement that farm labor should receive a good wage. I think the farmers would be better off if farm labor received a good wage, and I think the community would be better off if the farm labor received a good wage.

Mrs. SASULY. May I ask you a question, Congressman?

Mr. POAGE. Sure.

Mrs. SASULY. Are you in favor of a minimum wage for farm labor? I am not talking about an exact figure, but are you in favor of a minimum wage for farm labor?

Mr. POAGE. Only provided you let us reflect it in farm prices and give the farmer a guaranty that he will be able to reflect it in farm prices. Only when we may know the farmer can pass it on to the consumer. In that event, I will go along with you, but I will not go along with you if you say that the farmer cannot put farm wages into his price structure. Were we to pass a minimum wage without such a guaranty it would all come out of the farmer's hide and nobody else's, because he could not reflect it in his prices. Certainly, I would not support it under the set-up you are proposing. If you go along with us and treat the farmer fairly, I would be glad to give labor the same kind of protection.

Mrs. SASULY. We are very interested in having your views on the subject, Congressman.

Mr. GRANGER. Will the gentleman yield?

Mr. POAGE. I will yield.

Mr. GRANGER. Coming back to the original question by the gentleman from Texas about the reflecting farm labor in the price of farm commodities, if the farmer did not include labor in cotton, using that as a yardstick, if he did not include labor, certainly you would not have any objection to including labor. Should you want to make a new formula, would not you have the cost of the farmer's labor reflect in the price of his product?

Mrs. SASULY. It seems to me that would depend on the general economic situation, on the general level of prices, as well as the level of prices for specific crops, and once you firmly tied that cost into the parity formula you might have a very intensified inflationary situation developing.

Mr. GRANGER. That may be true now, but if we were starting out on the formula, should it include all the cost necessary to produce the

article, you have no objection to adding labor in, do you? Everybody else does.

Mrs. SASULY. I do not mean not to answer your question directly, but seriously I do believe you would have to take into consideration the general economic situation, the general level of prices, so we would know we are adding in the right kind of situation. Those parity formula proposals have been made during periods of relatively high prices, during and since the war, and were not accompanied by proposals to set a minimum wage for agricultural labor.

Mr. GRANGER. Nobody objects to that when the prices are high, but if you were starting out with a formula that could be set up to determine the cost of an agricultural product, it seems to me it would be an unjust thing to say you should not include all the cost, including the cost of labor.

Mrs. SASULY. Of course, getting back to the sugar situation, Congressman, here you do have very specific benefits that are being given, very specific payments that are being made to sugar producers, and here we have legislation which has given certainly very minimum benefits to the farm workers. While I am very much interested in this general discussion of farm-labor problems and farm problems, I do feel very strongly a starting point for maintaining some kind of balance is right here in the legislation before you.

Mr. POAGE. Don't you of necessity agree with Mr. Hill, that you cannot pay a wage to farm workers on a sugar-beet or sugarcane farm far out of line with that which is paid on the grain farm or the cotton farm adjoining, without definitely affecting the wage level on those adjoining farms?

Mrs. SASULY. Mr. Congressman, as I read this Sugar Act—I just looked at it again before I got up here to speak—it does not say anything about an exorbitant high wage. I keep emphasizing the fact that it is a very minimum, a very meager benefit. It says, a "fair and reasonable wage." Is anybody opposed to a fair and reasonable wage, Congressman?

Mr. POAGE. If the wage is not above the surrounding level of wages, then there is no necessity for it, because they will get it anyway.

Mrs. SASULY. No; it depends on whether there is a great influx of migratory workers such as the Congressman indicated might take place because of the very mechanization that he is talking about.

Mr. POAGE. If the man who is getting his cotton picked is offering wages higher than the sugarcane man, or higher than the grain man is paying, then obviously it would not do any good to put it in the law, because the general level is going to bring the wage of the beet man up.

Mrs. SASULY. The important thing, Congressman, is the fact that it is a guaranty for a definite producing season. I think we all know you can have one prevailing wage at the beginning of the season, and where you have a large influx of migratory workers coming into the area you can have the wage situation changed very radically, unless you have some type of guaranty. That is one of the most significant things about the fair-wage provisions of the Sugar Act.

Mr. POAGE. I think you are right about that. The point I am trying to make is you cannot simply segregate the sugar industry and say all we want to talk about is sugar because that is the only thing

that the Government is giving the special benefits on, and therefore we are not going to be interested in what happens to the cornman, the wheatman, the cattleman, the sheepman, or the cottonman. The minute you provide an increase in the sugar industry, you are putting everybody else on stilts.

Mrs. SASULY. But the sugar industry is getting the benefits, isn't it?

Mr. POAGE. That is right; the sugar industry is getting the benefits. What you would do would be to compel the other fellow who gets no special benefits to pay a wage that his crop will not support. You are assuming the sugar industry is working in a vacuum, that it does not affect people working all around it. You do not find Mr. Hill's home district producing sugar beets alone. A lot of his people produce cherries, a lot produce grain and vegetables. He produces many things there, and those other farmers are affected by what you would do to the farmer that grows sugar beets.

Mrs. SASULY. I was in California, and I was at a wage hearing under this act, I believe it was in 1939, where a fair and reasonable minimum of 50 cents an hour was set, and during the same season, in the San Joaquin Valley in California cotton pickers were getting 75 cents a hundred, which, on an average, say, of 250 pounds or even 300 pounds of cotton picked a day, comes to considerably below the 50 cents guaranteed in the sugar industry. That is the kind of thing you have where you have large surpluses of labor. This was in 1939 in California, so, as I say, there have been plenty of distinctions between wages paid sugar-beet workers and workers in other crops while the act has been in effect.

The CHAIRMAN. Are there any further questions?

If not, we thank you very much, Mrs. Sasuly.

Mrs. SASULY. Thank you very much, Mr. Chairman.

The CHAIRMAN. The next witness is Mr. Julio F. Peynado. We will be glad to hear from you at this time, Mr. Peynado.

STATEMENT OF JULIO F. PEYNADO, REPRESENTING THE DOMINICAN SUGAR PRODUCERS ASSOCIATION, DOMINICAN REPUBLIC

Mr. PEYNADO. My name is Julio F. Peynado. I am an attorney residing in Ciudad Trujillo, Dominican Republic.

The CHAIRMAN. Whom are you representing Mr. Peynado?

Mr. PEYNADO. I appear before the committee representing the Dominican Sugar Producers Association. It is an independent organization, an unofficial organization, with 100 percent membership of the sugar producers of the Dominican Republic.

The purpose of my appearance is to express the ratification of, and the solidarity of, the association, and its solidarity with respect to certain statements contained in letters which I want to introduce into the records of this committee. These letters are one addressed by Mr. Carl S. Nadler, president of the Central Romana Corp., a fully owned American corporation, operating in the Dominican Republic, one of the largest mills in the world. This letter is dated June 11 and is addressed to the Honorable George C. Marshall, Secretary of State.

There is another letter of the same date by Mr. Frederick B. Adams, president of the West Indies Sugar Corp., another fully owned American enterprise operating several large mills in the Dominican Republic.

A third letter is addressed to Mr. Willard F. Barber, Chief, Division Caribbean Affairs, Department of State, dated June 12, by Mr. Charles H. Wanzer, president of the Dominican Chamber of Commerce of the United States, Inc.

Next I have a telegram sent by Dominican Sugar Producers Association to the Honorable Clifford R. Hope, chairman of this committee, dated June 25, 1947.

I am also including a cablegram addressed to me under date of June 20, by the president of the Dominican Sugar Producers Association, Mr. J. N. Cabral Bermudez, which are my credentials to appear before this committee.

(The documents presented by Mr. Peynado are as follows:)

SOUTH PORTO RICO SUGAR CO.,
Jersey City, N. J., June 11, 1947.

The Honorable GEORGE C. MARSHALL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: This memorandum is addressed to the Department of State by Central Romana Corp., an American corporation representing a large number of American stockholders, and by Yngenio Santa Fe, C. por A., a wholly owned Dominican subsidiary of Central Romana Corporation. These companies produce in excess of 40 percent of the annual Dominican sugar and molasses crop.

Secretary of Agriculture Clinton P. Anderson has requested the Congress to consider new sugar legislation which is designed to give Cuba a larger sugar quota in recognition of its war record in supplying sugar to this country and its allies.

It is reported that a substantial agreement has been reached by certain of the domestic sugar areas as to the relative amounts of new 5-year sugar quotas to be proposed to the Congress for domestic and foreign countries, but Dominican sugars have been completely ignored. It is further reported that Secretary Anderson now plans to discuss with the State Department a definite proposal for a major increase in Cuba's quota under new sugar legislation to be submitted to Congress in the near future.

One of the major methods proposed to accomplish this purpose is a reallocation of the Philippine deficit in a form which would be a direct cancellation of the principle established by the Congress of the United States in the Sugar Act of 1937 wherein the Philippine deficit is allocated to foreign countries other than Cuba.

Since it has always been the policy of our Government to give recognition to all foreign contributions to the Allied cause and since the Dominican sugar industry's war record compares favorably with all sugar areas, we wish to request as favorable treatment for us as that proposed for Cuba or for any other country.

We assume similar consideration will be granted to the Dominican Republic because of her record of complete cooperation with, and under the direction of, agencies of the United States Government.

From the date the United States entered the war we offered our sugar and molasses in its entirety to this Government and always in advance of its production without knowledge of the final price to be established.

The Federal Surplus Commodities Corporation, Commodity Credit Corporation, the War Production Board, the Defense Supplies Corporation, and the Reconstruction Finance Corporation can substantiate this statement. In every year our production was either sold to one or more of these agencies or was sold and delivered under their direction or as a result of their allocation. We will not attempt to amplify this statement other than to enumerate the following facts:

1. On December 12, 1941, a contract was signed with the British Ministry of Food covering the 1942 crop at a price to be determined later.

2. On August 2, 1943, a contract was signed with the Commodity Credit Corporation covering the 1943 and 1944 crops. This contract provided that sugar delivered to the United States be invoiced at a lower price than Cuba was to receive on sugars shipped from these same two crops, and in fact some quantities were actually assigned and delivered at this lower price.

3. On May 24, 1944, after consultation with Commodity Credit Corporation, a contract was signed with the British Ministry of Food covering the 1945 and 1946 crops, the Dominican producers agreeing in advance to accept whatever price would be agreed upon with Cuba for its same crops.

4. Each sales agreement made after suspension of quotas (when made with the British Ministry of Food) contained a clause releasing any sugar which would be allowed entry into this country.

5. At no time during the war have the Dominican producers considered sales to countries other than the United States and United Kingdom, except for the usual small local consumption sales.

6. All molasses production from the 1942, 1943, 1944, 1945, 1946, and 1947 crops was sold to agencies of the United States Government at fixed prices.

Since our sugar was diverted to the United Kingdom as a convenience to this country and its allies, even though in each of those years we would have been entitled to a quota as a reallocation of the Philippine deficit had there been no suspension of quotas, we now expect and earnestly request that our right to a substantial part of this reallocation be considered in any plans for amending the Sugar Act of 1937.

We would be happy to discuss the whole question in detail with you or with anyone in your Department whom you may designate.

Respectfully,

CENTRAL ROMANA CORP.,
YNGENIO SANTA FE, C. POR A.,
CARL S. NADLER, *President*.

WEST INDIES SUGAR CORP.
June 11, 1947.

The Honorable GEORGE C. MARSHALL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: This memorandum is addressed to you by the above company (on behalf of more than 5,000 American stockholders) engaged in the production of sugar and molasses in the Dominican Republic, which together with other American companies comprises more than 80 percent of the total annual sugar production in that country.

Secretary of Agriculture Clinton P. Anderson has requested the Congress to consider new sugar legislation which is designed to give Cuba a larger sugar quota in recognition of its war record in supplying sugar to this country and its allies. It is good news to our Company, because half of its sugar output is produced in Cuba, that Cuba's record through the war and her relations to the United States are in a fair way to be properly recognized.

However this company is as much interested in the same kind of fair play for its operations in the Dominican Republic as it is in Cuba. It is reported that a substantial agreement has been reached by certain of the domestic sugar areas and for foreign countries, but Dominican sugars have been completely ignored. It is further reported that Secretary Anderson now plans to discuss with the State Department the proposed major increase in Cuba's quota under new sugar legislation to be submitted for the consideration of Congress.

One of the major methods proposed to accomplish this purpose is a reallocation of the Philippine deficit in a form which would be a direct cancellation of the principle established by the Congress of the United States in the Sugar Act of 1937 wherein the Philippine deficit is allocated to foreign countries other than Cuba, such as the Dominican Republic.

Since it has always been the policy of our Government to give recognition to all foreign contributions to the Allied cause and since the Dominican sugar industry's war record compares favorably with all sugar areas, we wish to request as favorable treatment for her producers, mostly American, as that proposed for Cuba or for any other country.

We assume similar consideration will be granted to the Dominican Republic because of her record of complete cooperation in sugar problems with, and under the direction of, agencies of the United States Government.

From the date the United States entered the war, we offered our Dominican sugar and molasses in its entirety to this Government and always in advance of its production without knowledge of the final price to be established.

The Federal Surplus Commodities Corporation, Commodity Credit Corporation, the War Production Board, Defense Supplies Corporation, and the Reconstruction Finance Corporation can substantiate this statement. In every year, our

production was either sold to one or more of these agencies or was sold and delivered under their direction and as a result of their allocation. We will not attempt to amplify this statement other than to enumerate the following facts:

1. On December 12, 1941, a contract was signed with the British Ministry of Food covering the 1942 crop at a price to be determined later.

2. On August 2, 1943, a contract was signed with the Commodity Credit Corporation covering the 1943 and 1944 crops. This contract provided that sugar delivered to the United States be invoiced at a lower price than Cuba was to receive on sugars shipped from these same two crops, and in fact some quantities were actually assigned and delivered at this lower price.

3. On May 24, 1944, after consultation with Commodity Credit Corporation, a contract was signed with the British Ministry of Food covering the 1945 and 1946 crops, the Dominican producers agreeing in advance to accept whatever price would be agreed upon with Cuba for its same crops.

4. Each sales agreement made after suspension of quotas when made with British Ministry of Food contained a clause releasing any sugar which would be allowed entry into this country.

5. At no time during the war have the Dominican producers considered sales to countries other than the United States and the United Kingdom.

6. All molasses production from the 1942, 1943, 1944, 1945, 1946, and 1947 crops was sold to agencies of the United States Government at fixed prices.

Since our sugar was diverted to the United Kingdom as a convenience to this country and its allies, even though in each of those years we would have been entitled to a quota as a reallocation of the Philippine deficit had there been no suspension of quotas, we now expect and earnestly request that our prewar right to a substantial part of this reallocation be considered in any plans for amending the Sugar Act of 1937.

We would be happy to discuss this whole question in detail with you or with anyone in your Department whom you may designate.

Yours very truly,

F. B. ADAMS, *President.*

JUNE 12, 1947.

Mr. WILLARD F. BARBER,
Chief, Division Caribbean Affairs,
Washington, D. C.

DEAR SIR: The Dominican Chamber of Commerce of the United States, Inc., is deeply concerned about the unfavorable news regarding the quota of Dominican sugar for this country, and it wishes to bring respectfully to the attention of the State Department a number of historical facts that, in the opinion of this chamber of commerce, are entitling the Dominican Republic to be treated with all consideration due a country historically friendly to the United States.

Permit us to mention—

1. That right after Japan attacked the United States at Pearl Harbor, the Dominican Government severed diplomatic relations with the Axis countries, declared war against them and placed the country at the disposal of the United States for the prosecution of the war, and that, together with other nations of the Western Hemisphere, the Dominican Government undertook to help the Allied cause by ordering the confiscation of all property belonging to Axis nationals, placing some of them under the surveillance of the authorities and others in concentration camps, and an additional number of same were deported.

2. That the Axis sank all of the merchant marine of the Dominican Republic, with the consequent loss of a large number of Dominican lives.

3. That the Dominican Government adhered to all the measures taken by the Government of the United States for the successful prosecution of the war.

4. That the Dominican Republic contributed important food supplies to Puerto Rico and other neighboring countries, which depended upon the United States for food supplies.

5. That as late as 1946, the Dominican Government made important contributions to UNRRA.

6. That the Dominican Government has been constantly cooperating with the Government of the United States to make the good-neighbor policy more effective, and that, actually the Dominican Government is fighting communism in the Dominican Republic and has made a solemn pledge to cooperate with the United States Government in order to stop the infiltration of the communistic ideology in the Western Hemisphere..

7. And, finally, that American capital has always found great opportunities for investment in the Dominican Republic, and the utmost protection from the Dominican Government, and that, as the trade balance shows, more than 75 percent of the imports into the Dominican Republic are from the United States, while 27 percent only of the exports of the Dominican Republic are purchased by the United States.

The above is submitted in the sincere hope of helping in some way to maintain the friendly feelings and commercial relations existing between the two countries.

Very respectfully yours,

THE DOMINICAN CHAMBER OF COMMERCE OF THE UNITED STATES, INC.
CHARLES H. WANZER, *President*.

[Telegram]

NEW YORK, N. Y., *June 25, 1947.*

HON. CLIFFORD R. HOPE,
Chairman, House Committee on Agriculture,
House Office Building, Washington, D. C.

We earnestly request your consideration of our plea, which our members filed with the State Department last week, seeking a more generous sugar quota for Dominican Sugar Producers in the new legislation which is being considered by your committee. More than 80 percent of the Dominican annual output of 500,000 tons is produced by American-owned companies represented by more than 12,000 stockholders and we believe the war record of our industry compares equally to that of Cuba. As you know the present Sugar Act, now expiring, grants all Philippine deficits to full-duty countries other than Cuba and while we recognize the merit of granting to Cuba a substantial part of any such deficit we submit that our long-standing right to that reallocation, as first established by Congress in 1934 and continued in effect ever since, should not now be reduced to a small token percentage. If you desire further data about our cooperation during the war years we respectfully refer you to the Department of State, Division of Caribbean Affairs. Finally, we believe it pertinent to state that American companies account for a greater proportion of the Dominican production than is the case in other Western Hemisphere countries being considered in this legislation.

DOMINICAN SUGAR PRODUCERS ASSOCIATION.

[Radiogram]

CIUDAD TRUJILLO, *June 20.*

JULIO PEYNADO,
Ambassador, Washington, D. C.:

You are requested to represent the Dominican Sugar Producers Association before the House of Representatives of the United States of America to urge the necessity of the participation of the Dominican producers in the Philippine sugar deficit.

J. M. CABRAL BERMUDEZ,
President, Dominican Sugar Producers Association.

MR. ANDRESEN. Mr. Chairman, I would like to ask the gentleman a question if I may.

MR. PEYNADO. Yes, sir.

MR. ANDRESEN. Of course, you represent a country that is a republic, and I do not want any international complications here. Do you have authority to represent the views of your Government?

MR. PEYNADO. Not at all. The views of my Government are not a part of the agenda that we are going to cover in this association; it is more or less the sugar producers in my country as regards a law in project in the United States with which my Government has nothing to do.

Mr. ANDRESEN. You are appearing on the proposed bill that is before the committee?

Mr. PEYNADO. Exactly; representing the sugar producers, which are 80 percent American; in other words, quite a large and substantial percentage, if you compare it with any other country.

Mr. ANDRESEN. The reason I raised the point, I did not want anything to arise that might interfere with the good relationships between this country and the Dominican Republic.

Mr. PEYNADO. Not by any means. Anything in this bill that would be administered by the Dominican Republic would be dealt with in Washington, not by me.

Mr. ANDRESEN. Who gets the sugar now that is produced in the Dominican Republic?

Mr. PEYNADO. The Dominican Republic offered all the sugar during the war to the United States Government, but the United States Government, the particular Federal office dealing with that, allocated it to England. I have a copy of a letter which I will introduce on that.

Mr. ANDRESEN. You are familiar with the tripartite agreement that was entered into between the British, Canadians, and the United States, which divided up the sugar area, in which some agreement was reached whereby the British would take the sugar beyond a certain line and the United States would get the sugar from Cuba.

Mr. PEYNADO. Yes.

Mr. ANDRESEN. That was an agreement reached between the different countries.

Mr. PEYNADO. It was not our country that decided to sell the sugar to England. We had been selling sugar to England for many years, simply because, although the American market was quite close to us, of the high tariff. That is before the time of the quotas. During the war the sugar producers of the Dominican Republic offered the United States all their sugar. They offered it without a stated price. In other words, they would offer the sugar for American use and talk prices later. The United States Government answered back, and I have a letter dated May 16, 1944, signed by Mr. Earl B. Wilson, Director of the Sugar Division, in one sentence of which he summarized the point we have in question. He says in this one sentence:

In the distribution of available sugar supplies, all of the Dominican sugar production has been assigned to the United Kingdom.

Mr. ANDRESEN. What is the date of that letter?

Mr. PEYNADO. May 16, 1944.

Mr. ANDRESEN. That was after the tripartite agreement had been entered into between the British, the United States, and Canada.

Mr. PEYNADO. Exactly. But what I want to point out is whatever destination Dominican sugar had during the war was not a matter that we decided for ourselves. We just accepted the situation between the United States and England.

Mr. ANDRESEN. I thought you would send it over here because we wanted more sugar.

Mr. PEYNADO. The fact is you paid for it. I shall also introduce this letter into the record that I just mentioned, signed by Mr. Earl B. Wilson.

(The letter referred to is as follows:)

UNITED STATES DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION,
Washington, D. C., May 16, 1944.

Mr. CARL S. NADLER,
President, South Porto Rico Sugar Co. Trading Corp.,
New York 5, N. Y.

DEAR MR. NADLER: This is in reply to your letter of May 11 regarding a proposal of the British Ministry of Food for purchase of the 1945 and 1946 Dominican sugar crops.

In the distribution of available sugar supplies all of the Dominican sugar production has been assigned to the United Kingdom. Since the British have accepted the responsibility of shipping and paying for Dominican sugar, it is logical that they should negotiate the purchase contracts and handle all operations under such contracts.

It is agreeable to us for the British to purchase the 1945 and 1946 crops of Dominican sugar. The United States Government will have no responsibility for shipping or financing such purchases.

Very truly yours,

EARL B. WILSON,
Director, Sugar Division.

Mr. PEYNADO. These documents, these letters addressed to the honorable Secretary of State and to the honorable chairman of this committee, express sufficiently well our point of view and there is no need to take any more of your valuable time here.

The CHAIRMAN. You are associating yourself and those whom you represent with the statements contained in the letters?

Mr. PEYNADO. Exactly. They really signed by members that would represent something like 60 percent of the production of the Sugar Producers Association of the Dominican Republic. In other words, the two largest groups have signed those letters and the association ratifies what they have to say in all respects.

Mr. ANDRESEN. Is it the tenor of the correspondence there that a larger quota should be assigned to offshore duty-paying areas?

Mr. PEYNADO. That is exactly it. For 10 years we have expected that at any time the Philippine quota had a deficit it would go to the countries that were not favored, and we were perhaps the largest producer, without doubt the largest producer of the nonfavored countries, and just at the moment that the contingency arises when there would be a deficit that probably will have to be allocated to somebody, then the law comes to an end and a new law comes into effect in which we just receive a very minor percentage of what we expected to receive.

Mr. ANDRESEN. What is your total production of sugar this year.

Mr. PEYNADO. Five hundred thousand tons.

Mr. ANDRESEN. Long tons or short tons?

Mr. PEYNADO. That is metric tons or long tons, 500,000. We keep a small percentage for our own consumption and the rest of it goes out.

Mr. ANDRESEN. How much is the quota in this bill that the Dominican Republic will get out of it?

Mr. PEYNADO. There is 1.36 percent for everyone of the nonfavored countries, and also the same thing for the Philippine deficit. Of the Philippine deficit, 98.66 goes to Cuba.

Mr. ANDRESEN. Otherwise, your sugar will go to the United Kingdom?

Mr. PEYNADO. Yes; but we have always desired to send our sugar into the United States as much as possible, and we feel we are entitled

to, because we understand that the reason that Cuba is being favored this way is by way of compensating their sugar producers' war effort in Cuba, and we want to point out that no one has a better record than the Dominican Republic. Cuba has a very fine record, we do not question it, but no one has a better record than the Dominican Republic sugar producers. There is, I might say, no group of sugar producers that has more consistently adhered to the policy of not doing a short-sighted operation and selling at the high markets at that time. We could have sold a lot of sugar at high markets in South America. Our sugar went to England at a lower price than we could have obtained in many cases at spot offers that would have held for a good many years.

Mr. ANDRESEN. How does that compare with the prices in this country?

Mr. PEYNADO. At first it was very different, but lately it has been the same. On these last two crops we obtained from the United States, on sugar sent to England, exactly the same price that the United States was paying Cuba. In other words, last year opened the price at \$2.675. That price went up a bit. This year the agreement with Cuba was the basic old price raised by several indexes, somewhere around \$4.85 now. We are getting the same price Cuba is getting and was getting the last few years, because sugar is being bought on an agreement which is the same for Cuba and the Dominican Republic. Back in 1943 the rates were not the same. We were paid lower than Cuba.

Mr. ANDRESEN. Did the sugar producers have a contract on the product for 1948?

Mr. PEYNADO. Not yet for 1948, but for 1947. They are trying to enter into a contract for the 1948 crop. In fact, they have a proposition already from the British.

Mr. ANDRESEN. They will take the entire crop except what you need for home consumption?

Mr. PEYNADO. Exactly.

The CHAIRMAN. Have you finished?

Mr. PEYNADO. Yes. I thank you very much.

The CHAIRMAN. The Chair wants to submit for the record a further statement from the Puerto Rico Farm Bureau which was submitted the other day by Mr. Nido but was not included in the record at that time.

(The statement referred to is as follows:)

PUERTO RICO FARM BUREAU,
Washington, D. C., June 24, 1947.

Re H. R. 3368, proposed Sugar Act of 1948

To the Honorable Members of the Committee on Agriculture of the House of Representatives of the Eightieth Congress of the United States:

As president of the sugar section of the Puerto Rico Farm Bureau, which is the only recognized organization of farmers in Puerto Rico and which is affiliated to the American Farm Bureau Federation, I respectfully submit the following memorandum with regards to H. R. 3368:

The undersigned appeared before this committee at its hearing on Saturday, June 22, of the present year, to protest, on behalf of the sugarcane farmers of Puerto Rico, against certain portions of the above-mentioned proposed legislation, and was granted permission to submit the present written statement.

Puerto Rico is an American Territory. It is a domestic sugar-producing area of the United States, and it is the Territory which supplies the largest amount of sugar to the domestic markets.

Over 13,000 sugarcane farmers in Puerto Rico produce an average of over 1,000,000 tons of sugar a year, and the sugar industry provides employment to around 200,000 people in Puerto Rico. Sugar and its byproducts constitute over 70 percent of the total income derived by the island. You can readily see, therefore, that sugar is the very life-blood of our economy.

In analyzing the proposed bill, we find in title II, section 202, that the Secretary of Agriculture is authorized to establish the following quotas for domestic sugar-producing areas, as follows:

	Short tons, raw value
Domestic beet-sugar area-----	1, 800, 000
Mainland cane-sugar area-----	500, 000
Hawaii-----	1, 052, 000
Puerto Rico-----	910, 000
Virgin Islands-----	6, 000

In analyzing these quotas, we find that the domestic sugar-beet area has been assigned a quota of 1,800,000 short tons. In the period of 10 years, commencing with 1936 to 1945, inclusive, only in two specific years (1938 and 1940) have they produced over 1,800,000 short tons of sugar.

The mainland cane-sugar area, which has been assigned a quota of 500,000 short tons, over that same period 10 years produced only twice (in 1938 and 1939) over 500,000 short tons a year.

Hawaii, which has been assigned a quota of 1,052,000 short tons, never in that period of 10 years did it produce 1,000,000 short tons of sugar a year.

Puerto Rico, which has been assigned a quota of 910,000 short tons, over that same period of 10 years produced in excess of the 910,000 ton quota in 7 years, to wit, 1936, 1937, 1939, 1940, 1941, 1942, and 1944.

For the purpose of clarifying this analysis, we are copying below a schedule drawn up from information supplied by the Yearbook of Agricultural Statistics of the Department of Agriculture for the year 1946:

	Tons of sugar beets	Mainland cane	Hawaii	Puerto Rico	Cuba
Quota production -----	1, 800, 000	500, 000	1, 052, 000	910, 000	-----
1936-----	1, 395, 000	437, 000	944, 000	<i>996, 000</i>	3, 379, 000
1937-----	1, 378, 000	402, 000	941, 000	<i>1, 077, 000</i>	3, 380, 000
1938-----	<i>1, 805, 000</i>	<i>583, 000</i>	994, 000	852, 000	3, 094, 000
1939-----	1, 758, 000	<i>504, 000</i>	977, 000	<i>1, 019, 000</i>	3, 157, 000
1940-----	<i>1, 897, 000</i>	332, 000	947, 000	<i>932, 000</i>	2, 734, 000
1941-----	1, 588, 000	419, 000	870, 000	<i>1, 118, 000</i>	3, 800, 000
1942-----	1, 726, 000	460, 000	856, 000	<i>1, 039, 000</i>	3, 230, 000
1943-----	998, 000	498, 000	875, 000	724, 000	4, 738, 000
1944-----	1, 056, 000	437, 000	821, 000	<i>964, 000</i>	3, 923, 000
1945-----	1, 278, 000	482, 000	857, 000	909, 000	4, 476, 000

For the purposes of simplification, the totals have been rounded out in even figures. We have italicized in the schedule the above-mentioned years in which the different areas produced over the quota assigned to each.

We feel that in assigning the quotas, Puerto Rico has not received the fair and reasonable quota to which it is entitled by her record of production.

Puerto Rico can easily produce around 1,500,000 short tons of sugar a year. It has not done so on account of the limitations placed, first, by the low quotas assigned to the island under the existing Sugar Act, and second, due to the efforts required of the island during the war years and which as an American Territory it was its patriotic duty to perform. Over 70,000 of our young men were called to the colors, and Puerto Rico became overnight an armed camp necessitating extensive military installations for the construction and maintenance of which thousands of our able farm labor were employed, curtailing in this manner the amount of manpower necessary to develop and maintain an increased production of sugar.

In line with the above-mentioned situation, we respectfully request of the committee that the proposed bill be amended in this section by increasing the quota assigned to Puerto Rico in the sum of 140,000 short tons raw value, thus granting Puerto Rico a quota of 1,050,000 tons and thereby giving us approximately equal treatment to that given to other domestic areas.

In section 207 (b) of the proposed bill, we quote: "no more than 126,033 short tons raw value of the quota for Puerto Rico for any calendar year may be filled by direct consumption sugar."

The above section constitutes not only a limitation on the amount of sugar that Puerto Rico can refine, but also a severe limitation on the industrialization of our island as a whole. It has no parallel with the treatment given in the bill to other domestic areas, with the exception of Hawaii.

This constitutes a discrimination which we request be eliminated from the proposed legislation.

In title III of the proposed bill, under "Conditional payments provisions," we find that the mandatory clauses under the existing Sugar Act of 1937 which govern the relationship between producer-processors and producers (growers) have been practically eliminated. Sections 305 and 511 of the present Sugar Act have been practically deleted and/or omitted in the proposed bill and substituted by section 410 in title IV, which instead of making it mandatory for the Secretary to determine fair prices to be paid by producer-processors to producers (growers) for their cane or beets, has been substituted by giving the Secretary authority to make investigations and recommendations if first requested by individuals or associations constituting or representing a sufficient proportion of the persons affected in any of the five domestic sugar-producing areas.

On behalf of the 13,000 independent sugarcane farmers of Puerto Rico, we respectfully request of the committee that this section 410 of title IV be amended in line with the provisions existing in the present Sugar Act of 1937 so as to provide adequate protection to the growers in the fair prices that should be paid them for their cane by the processors (the mills).

A similar proviso should be inserted in title III of the proposed bill.

I do not wish to tire the members of the committee with a long and tedious statement. I realize the amount of information that has been submitted to their consideration regarding the proposed bill, but in closing I would like to make clear our position regarding the bill as a whole.

We fully appreciate the efforts which have been made by the Secretary to draft an adequate Sugar Act, and we appreciate also the position of the Administration in the light of its international obligations, but we feel that we, as American citizens, are faced with a dilemma: Either we are allowed to produce an adequate sugar quota thereby providing employment to our people, or our production is curtailed by an inadequate quota which will create unemployment and force our people to go on relief. This is contrary to our traditions and reflects on our American citizenship.

Respectfully submitted by—

PEDRO NIDO,
*Vice President, Puerto Rico Farm Bureau, and
President, Sugar Cane Growers Section.*

The CHAIRMAN. Also a letter from Mr. Edward A. O'Neal, the president of the American Farm Bureau Federation.

(The letter referred to is as follows:)

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., June 25, 1947.

Hon. CLIFFORD R. HOPE,
*Chairman, Committee on Agriculture,
House of Representatives, Washington, D. C.*

MY DEAR CHAIRMAN HOPE: We have checked with our Farm Bureau leaders in the various sugar-beet areas of the United States and the sugarcane areas of Louisiana, Florida, and Puerto Rico with respect to the proposed revision of the Sugar Act embodied in the committee print which was presented to your committee on Saturday, June 21, in lieu of a 1-year extension of the present law.

We find that there is general agreement in all areas in support of the bill as a temporary compromise measure, except that there is considerable concern in some of the sugarcane areas because the committee print omits section 301 (d)

of the present Sugar Act, which protects the growers who sell to processors who are also producers by authorizing the Secretary of Agriculture to require such processors to pay other growers a fair price or forfeit their conditional payments. We regret that this subsection has been omitted in the committee print, as we believe this is a desirable and needed safeguard in certain areas.

In view of the fact that the remainder of the bill is generally acceptable and represents a compromise of many conflicting views, and as the present Sugar Act will expire this year unless additional legislation is enacted, we will support the enactment of this measure at this time.

Sincerely yours,

EDW. A. O'NEAL, *President.*

The CHAIRMAN. This concludes the hearings on the bill, and the committee will adjourn until Monday morning at 10 o'clock, at which time we will take the bill under consideration in executive session.

(Whereupon, at 11:40 a. m., the committee adjourned.)

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(Administrative Information only)

HEARING BEFORE THE HOUSE AGRICULTURE COMMITTEE, JUNE 21, 1947

Mr. Hope explained that the purpose of the hearing was to consider a bill as the result of a request from Government and industry representatives that a new bill along lines which all could agree upon be considered rather than an extension of the present Act as originally provided in the bill referred to the Committee. He asked the Secretary of Agriculture to report on the status of a "Committee print" of a bill.

In addition to the Secretary (accompanied by me), two other witnesses were heard, namely, Mr. A. Kemp who was chosen by the sugar industry to represent 5 sugar areas (growers and processors of continental cane and beet sugar, growers and processors in Hawaii, the Puerto Rican Planters' Association and the U. S. Cane Sugar Refiners' Association), and Mr. Nido of the Puerto Rico Farm Bureau. Briefs were submitted by United States-Cuba Sugar Council, Chamber of Commerce of Cuba, and Mr. Staples (for Cuban refiners).

The Secretary explained, first, the necessity of some sort of legislation at this time because of Cuba's uncertainty of her future under any quota legislation. He mentioned Cuba's reluctance to sign a contract for the purchase of the 1946-47 crops and stated that at the time of the purchase negotiations Cuba was advised that the Administration could not guarantee any legislation since that was the prerogative of the Congress but that efforts would be made to achieve some recognition of Cuba's contribution during the war in future sugar legislation. He also stated that recognition must also be taken of contributions and problems of other areas during the war, such as the inability of the Philippines to contribute because of the disruption of her industry, reduction in Hawaii because of the deflection of manpower to wartime industry, and reduction in domestic areas because of the Department's request to produce other crops.

The Secretary stated that a letter had been received from Cuba indicating that another one-year extension would be construed as detrimental to the interests of Cuba; there had already been a one-year extension (in 1946). He indicated that he had not construed the provision of the contract regarding a one-year extension in this way but that, since the Cubans did so, a one-year extension at this time would not be completely proper. Another problem to be considered was the present provision for the re-allocation of deficits, under which the entire Philippine deficit would go to the full-duty areas.

For the reasons stated above, the Secretary had asked the domestic area representatives to get together. After many efforts they had reached an agreement that he felt was fair. The Secretary indicated that the Secretary of the Interior had indicated approval of the proposed bill; that the State Department and the Bureau of the Budget had also been consulted. He indicated that the Administration would be glad to support such a bill, and that he heartily endorsed it. He then read a prepared statement commenting on the bill.

In response to a question from Congressman Andresen, the Secretary indicated that the minimum consumption requirements for the U. S. for 1948 and subsequent years was 7,400,000 tons; that it would probably be higher, but that was undoubtedly the minimum.

In response to a question from the Chairman as to why the provision for the suspension of Title III (conditional-payment provision) was eliminated, I explained that that Title had never yet been suspended, and asked for the guidance of the Committee as to the conditions under which it might ever be suspended.

Mr. Pease raised the question as to whether the bill was not primarily for the purpose of encouraging production of sugar in the U. S., and if the payments to producers were not based on this theory. The Secretary stated that he preferred to say that the payments were made for compliance with the Act, the primary purpose of which was that U. S. producers should produce sugar in relation to the other areas, or in a certain pattern. Other than this implied objection to the very general legislation itself, there were no objections. Members of the House Committee on Agriculture voiced at the hearing.

Mr. Kepp indicated that this bill had taken an entirely new approach to the sugar situation; in this draft the domestic areas are "preferred" stock holders to the extent of the set quotas for those areas; that Cuba represents the "common" stock in that she has most of the balance of the quotas and practically all of the Philippine deficit, and some possible sharing of the domestic deficits. He indicated that the quotas would work in 1946, regardless of the level of consumption because it allows for the marketing of all the sugar that could be available. In regard to the lack of provision for the suspension of Title III, he stated that the payments provided for in the Title were roughly equivalent to the tax levied on the producers of the sugar, and that without suspension of the tax--which would be difficult--there should be no suspension of the payments.

The third witness, Mr. Pedro Mido, stated that he had not had time to go into the bill thoroughly and that he would like to file a written brief after more study, but pointed out that off-hand there were two objections to the bill in his estimation: (1) the quotas established penalized Puerto Rico as compared to the present Act as to percentage of the domestic quota, and (2) since the present provision of the Act providing for the payment of fair prices to producers of beets and cane had been omitted from the suggested bill, there was now no protection to the growers.

James H. Marshall,*
Director, Sugar Branch, PLA

In cooperation with the Division of Legislative Reports.

AMERICAN SUGAR CANNING COMPANY VERMONT CANNING COMPANY AND OTHERS PETITIONERS
 1937, JULY 25, 1937

The first question discussed was in connection with section 401 of the proposed bill, which proposes a new method of distributing payments to producers. We pointed out that the procedure proposed in the draft would be rather expensive in view of the cost of traveling and the probable cost in fees to banks which would handle the funds. We also pointed out that additional costs would be incurred in the national office in fiscal management. Considerable discussion ensued, with Representative Hill of Colorado strongly urging that the proposal in the bill be adopted in the light of experience which sugar associations had gained in the administration of the program in the past. Other members of the committee expressed fear that too substantial a delegation of responsibility would result.

Considerable discussion followed in connection with section 401, the provision under which the Secretary each year is directed to determine the estimate of consumption of sucrose in the continental United States. A table was presented to the committee showing the price of sugar which would have resulted in previous years from the application of one of the standards set forth in the proposed bill as compared with the actual price of sugar during those years. The Committee requested an indication as to the price which might result from the application of other standards in the bill. We were compelled to advise that such an estimate could not be given but that circumstances in existence at the time of our estimate of consumption would have to be taken into account in determining the consumption estimate and thereby the level of the price of sugar resulting.

There was a brief discussion concerning section 402(e), which had been proposed by the State Department. Representative Flanagan indicated that he had received a suggestion from someone in the State Department that the provision be made mandatory rather than permissive and that there be included as a basis for withholding or withdrawing assistance in certain failure of any foreign country to effect "prompt settlement of pecuniary claims". The Committee generally seemed favorable to the inclusion of section 402(e) and several members indicated a desire to study the provision further. (Later the State Department has since advised that the information that the foregoing amendment to the provision was requested by that Department was erroneous. They do not want the inclusion of the "pecuniary claims" proviso.)

Most discussion was directed at the omission from section 401 of the "fair and reasonable wage" and "fair price" conditions for payment. It was pointed out by the Department that which the omission of these provisions was only authority which the Department would have in connection with these matters would be the authority which the Department has with respect to the terms and conditions of processor-grower contracts and grower-laborer contracts. We pointed out further that the Department had no objection to the inclusion of these conditions since it appeared that there was complete agreement among the industry groups to their inclusion.

It was pointed out that the Department had been advised by representatives of the industry that such representatives did not regard the provisions of section 401 of the bill as authorizing the Secretary to obtain certain types of data, such as cost data, from processors. Without such data, it would, of course, be extremely difficult to carry out the provisions of section 401. Therefore, we indicated that it was very desirable that this matter be clarified so that it was understood that the Department either did or did not have the authority to get the information necessary to carry out section 401. The implication was, of course, that without the authority, section 401 would not work.

J. H. Marshall, "
 Director, Sugar Branch PMA

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports

(For administrative information only)

HEARINGS BEFORE HOUSE AGRICULTURE COMMITTEE ON PROPOSED BILL TO AMEND SUGAR ACT
OF 1937, JUNE 27, 1947

Five witnesses appeared: One on behalf of a Puerto Rican refinery, three representatives of the CIO on the labor question, and a representative of the Dominican sugar industry.

Mr. Quinn appeared for the Puerto Rican-American Sugar Refinery, requesting that the quotas applicable to Puerto Rican refiners be increased from 126,000 short tons, raw value, to 175,000 tons and that the bill provide that these direct-consumption quotas should be allocated so as to maintain or protect his company's position. The basis for his request was that newcomers were gradually digging into their part of the refined sugar quota for Puerto Rico. There was little evidence that the Committee was disposed favorably to his suggestion.

The 3 representatives of the 3 CIO segments addressed their objections to the absence of section 301 of the Sugar Act of 1937 in the present bill. They stated that section 301 provided fair and reasonable wage determinations by the Secretary and that because of the peculiar situation that exists in some sections of the country, the worker should have this safeguard. The point was raised by Congressman Hill and supported to a certain extent by certain other members of the Committee that the labor question should be considered as a part of the broad farm labor legislation rather than as a part of the Sugar Act.

A representative of the Dominican Sugar Producers' Association, an independent organization, presented a series of letters and testimony indicating the Dominican Republic had also made contributions to the war effort, had offered to sell their sugar to the U.S. and, therefore, objected to the change in the bill which directed any Philippine deficit largely to Cuba. This point was made on the grounds that there were substantial American-owned interests in the Dominican sugar industry and that they have consistently desired a larger U.S. market for their sugar. There was very little indication on the part of the Committee as to their reaction on this point.

The chairman accepted for the record two prepared briefs dealing with Puerto Rico, whereupon the meeting was adjourned until Monday, 10 a.m. for executive session.

J. H. Marshall, *
Director, Sugar Branch, PMA

*In cooperation with the Division of Legislative Reports.

OFFICE OF HOUSE AND SENATE
Division of Legislative Affairs

HOUSE AGRICULTURE COMMITTEE ON H. R. 3455, TO PLACE THE SUGAR REFINING PROGRAM
ADMINISTRATIVE BASIS, AND H. R. 6075, TO AMEND AND EXTEND THE SUGAR ACT OF 1937, JULY 7,

Sugar Insurance

Chairman Hope of the Agriculture Committee explained H. R. 3455 and agreed with the
major's statement on weaknesses of the program. Rep. Fox asked what the losses were. Rep.
Hope said \$110 stock had been "liquidated" and said the previous statement to the bill was
repealed to have straightened out the program. Rep. Forster said he understood that a large
part of the losses were in one district. Rep. Fox said the program was "through" and
was accepted as a relief program. Rep. Hope said farmers were not to be hurt. Their
losses because they could not get their crops through customs, and Rep. Hope said that he
objected in the new bill by limiting premiums to investment. Rep. Hope said that he
thought "unfetterable" of the program and that the present SRA was a "very
of the worst programs in the Department." (The Committee proposed to take up the bill
at a later time.)

Sugar

Chairman Hope explained H. R. 6075. Rep. Forster questioned the desirability of a continuous
bill of as long as 3 years. Rep. Hope said the sugar industry is in favor of
the bill. Rep. Forster asked how long the program will last, and Rep. Hope said the
bill was for 3 years. Rep. Forster asked whether the program was a part of the sugar-beet
industry, and Rep. Hope said they were in favor of the bill and that he was not sure of the
bill as a part of long-term policy. Rep. Forster said it might be well to consider the
bill as a part of a plan to secure a place for sugar in the world market, and he could
not see how it could be a part of a plan to secure a place for sugar in the world market.
Rep. Forster said that he was in the sugar business and that he was not sure of the
bill as a part of a plan to secure a place for sugar in the world market. Rep. Forster
said that he was in the sugar business and that he was not sure of the bill as a part of
a plan to secure a place for sugar in the world market. Rep. Forster said that he was in
the sugar business and that he was not sure of the bill as a part of a plan to secure a
place for sugar in the world market.

Rep. Forster criticized the bill, objecting to the price increases, stating that further
increases could be arranged under Sec. 201 of the bill, and noting the bill was sponsored
by members of the House who were working in the sugar industry. He said the Secretary
of Agriculture told the Committee he was not familiar with the bill. He said the Secretary
of the sugar industry said he trusted the need for a producer subsidy. Rep. Forster said that,
and so, sugar is the cheapest commodity.

Rep. Forster said any price increases on sugar will be the Secretary's responsibility under
the bill. He said he would prefer a 3-year period but the State Department objected. Rep.
Forster said he was not sure of the bill as a part of a plan to secure a place for sugar in
the world market.

Rep. Forster stated that he favored both bills and, referring to Rep. Hope, "either party
is going along with his views on agriculture and won't be far wrong." Rep. Hope was in
favor of the sugar bill, saying the producer must know the price in advance of planting.
Rep. Hope added that a provision saving points of order be inserted in the bill. In view
of the law provision, but said he had cleared the matter with the House and Senate Chairman.

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

(for administrative information only).

HEARINGS BEFORE AND ESEN SUBCOMMITTEE OF HOUSE AGRICULTURE COMMITTEE REGARDING
SUGAR, JANUARY 21, 1947

After the statement by the chairman as to the purpose of the hearing, which was to obtain information regarding the current sugar situation, Mr. J. H. Marshall, Director of the Sugar Branch, outlined the current supply and prospective production situation in response to a general inquiry by the chairman.

It was indicated that this was the same as the statement released by the Department on the subject on December 15th with the exception of an adjustment of approximately 300,000 tons in the estimated Cuban crop. The chairman and Congressman Pace interrupted frequently in connection with the statement on production prospects, raising questions regarding the certainty of the Cuban crop estimates. The chairman asked several questions regarding Russia's production, consumption, and exports. Mr. Pace asked that the testimony emphasize the amount of increased production which would be available to the United States rather than the total. It was developed that in 1947 an additional 655,000 tons of sugar would be available for allocation on the basis of current estimates and that 1,416,000 tons of the Cuban crop would be available to increase consumption above 1946 levels in all countries receiving Cuban sugar. The countries which have been receiving Cuban sugar were enumerated, together with the amounts received.

There were numerous questions by practically all committee members present, regarding the method which would be used in allocating the estimated increased production. In connection with the discussion as to whether allocations were on a quarterly or annual basis, the chairman indicated that Mr. Marshall disagreed with the Secretary on the matter. After some discussion, Mr. Marshall replied that if he disagreed with the Secretary he would not be testifying before the committee but would be discussing the matter with the Secretary. In response to a question as to the probable amount which would be available in the United States, Mr. Marshall indicated that nothing official on this matter was available. He was asked whether he personally had a figure in mind on what the U. S. allocation would be for 1947. This question was very nicely parried.

There were a number of questions regarding rationing and the possibility of increases for the first quarter or for later quarters. After hearing a description of the manner in which the International Emergency Food Council makes allocations of Cuban crop, the chairman arrived at the conclusion that the Secretary of Agriculture had veto power over any action of the council which was discussed at length. There were several questions as to whether the Secretary of Agriculture or the State Department had final word on allocations. Congressman Pace developed the history of Cuban exports and the need for giving consideration to their historical export pattern in making the final allocation. In doing so, he raised the question as to the possible effect, ^{which} open bidding for Cuba's crop would have had on the U. S. price and imports. During a discussion of the difficulties of getting Cuban sugar to U. S. consumers there were several questions as to why cotton bags were not used.

It was shown that to give a 10-pound increase in the individual ration and a 20 percent increase for industrial users would require the entire amount available

... the Cuban crop for increasing consumption in all countries receiving an allocation of Cuban sugar. There were a number of questions regarding the year and stocks available in Cuba and other countries. This led into a discussion of the supplies in the Netherlands East Indies. The hearing ended with rather detailed discussion on allocations, price and other controls needed throughout 1947, and legislation required and recommended by the Department to put these into effect as well as the 1947 support programs in the Department.

J. Banks Young (B&F)*

*In cooperation with the Legislative Reports and Service Section.

80TH CONGRESS
1ST SESSION

H. R. 4075

IN THE HOUSE OF REPRESENTATIVES

JULY 2, 1947

Mr. HOPE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Sugar Act of 1948".

4 TITLE I—DEFINITIONS

5 SEC. 101. For the purposes of this Act, except title V—

6 (a) The term "person" means an individual, partner-
7 ship, corporation, or association.

1 (b) The term "sugars" means any grade or type of
2 saccharine product derived from sugarcane or sugar beets,
3 which contains sucrose, dextrose, or levulose.

4 (c) The term "sugar" means raw sugar or direct-con-
5 sumption sugar.

6 (d) The term "raw sugar" means any sugars which are
7 principally of crystalline structure and which are to be fur-
8 ther refined or improved in quality, and any sugars which
9 are principally not of crystalline structure, but which are to
10 be further refined or otherwise improved in quality to pro-
11 duce any sugars principally of crystalline structure.

12 (e) The term "direct-consumption sugar" means any
13 sugars which are principally of crystalline structure and
14 which are not to be further refined or otherwise improved
15 in quality.

16 (f) The term "liquid sugar" means any sugars (ex-
17 clusive of sirup of cane juice produced from sugarcane grown
18 in continental United States) which are principally not of
19 crystalline structure and which contain, or which are to
20 be used for the production of any sugars principally not
21 of crystalline structure which contain, soluble nonsugar solids
22 (excluding any foreign substances that may have been
23 added or developed in the product) equal to 6 per centum
24 or less of the total soluble solids.

1 (g) Sugars in dry amorphous form shall be considered
2 to be principally of crystalline structure.

3 (h) The "raw value" of any quantity of sugars means
4 its equivalent in terms of ordinary commercial raw sugar
5 testing ninety-six sugar degrees by the polariscope, deter-
6 mined in accordance with regulations to be issued by the
7 Secretary. The principal grades and types of sugar and
8 liquid sugar shall be translated into terms of raw value in
9 the following manner:

10 (1) For direct-consumption sugar, derived from sugar
11 beets and testing ninety-two or more sugar degrees by the
12 polariscope, by multiplying the number of pounds thereof
13 by 1.07;

14 (2) For sugar, derived from sugarcane and testing
15 ninety-two sugar degrees by the polariscope, by multiplying
16 the number of pounds thereof by 0.93;

17 (3) For sugar, derived from sugarcane and testing
18 more than ninety-two sugar degrees by the polariscope, by
19 multiplying the number of pounds thereof by the figure
20 obtained by adding to 0.93 the result of multiplying 0.0175
21 by the number of degrees and fractions of a degree of polar-
22 ization above ninety-two degrees;

23 (4) For sugar and liquid sugar, testing less than ninety-
24 two sugar degrees by the polariscope, by dividing the num-
25 ber of pounds of the "total sugar content" thereof by 0.972.

1 (5) The Secretary may establish rates for translating
2 sugar and liquid sugar into terms of raw value for (a) any
3 grade or type of sugar or liquid sugar not provided for in
4 the foregoing and (b) any special grade or type of sugar
5 or liquid sugar for which he determines that the raw value
6 cannot be measured adequately under the provisions of para-
7 graphs (1) to (4), inclusive, of this subsection (h).

8 (i) The term "total sugar content" means the sum of
9 the sucrose (Clerget) and reducing or invert sugars con-
10 tained in any grade or type of sugar or liquid sugar.

11 (j) The term "quota", depending upon the context,
12 means (1) that quantity of sugar or liquid sugar which may
13 be brought or imported into the continental United States,
14 for consumption therein, during any calendar year, from the
15 Territory of Hawaii, Puerto Rico, the Virgin Islands, or a
16 foreign country or group of foreign countries; (2) that
17 quantity of sugar or liquid sugar produced from sugar beets
18 or sugarcane grown in the continental United States which,
19 during any calendar year, may be shipped, transported, or
20 marketed in interstate commerce, or in competition with
21 sugar or liquid sugar shipped, transported, or marketed in
22 interstate or foreign commerce; or (3) that quantity of
23 sugar or liquid sugar which may be marketed in the Territory
24 of Hawaii or in Puerto Rico, for consumption therein, during
25 any calendar year.

1 (k) The term "producer" means a person who is the
2 legal owner, at the time of harvest or abandonment, of a por-
3 tion or all of a crop of sugar beets or sugarcane grown on a
4 farm for the extraction of sugar or liquid sugar.

5 (l) The terms "including" and "include" shall not
6 be deemed to exclude anything not mentioned but otherwise
7 within the meaning of the term defined.

8 (m) The term "Secretary" means the Secretary of
9 Agriculture.

10 TITLE II—QUOTA PROVISIONS

11 SEC. 201. The Secretary shall determine for each
12 calendar year, beginning with the calendar year 1948, the
13 amount of sugar needed to meet the requirements of con-
14 sumers in the continental United States; such determina-
15 tions shall be made during the month of December in each
16 year for the succeeding calendar year (in the case of the
17 calendar year 1948, during the first ten days thereof) and
18 at such other times during such calendar year as the Secre-
19 tary may deem necessary to meet such requirements. In
20 making such determinations the Secretary shall use as a
21 basis the quantity of direct-consumption sugar distributed
22 for consumption, as indicated by official statistics of the
23 Department of Agriculture, during the twelve-month period
24 ending October 31 next preceding the calendar year for
25 which the determination is being made, and shall make

1 allowances for a deficiency or surplus in inventories of
2 sugar, and for changes in consumption because of changes
3 in population and demand conditions, as computed from
4 statistics published by agencies of the Federal Government;
5 and, in order that such determinations shall be made so as
6 to protect the welfare of consumers and of those engaged
7 in the domestic sugar industry by providing such supply of
8 sugar as will be consumed at prices which will not be ex-
9 cessive to consumers and which will fairly and equitably
10 maintain and protect the welfare of the domestic sugar in-
11 dustry, the Secretary, in making any such determination,
12 in addition to the consumption, inventory, population, and
13 demand factors above specified and the level and trend of
14 consumer purchasing power, shall take into consideration
15 the relationship between the prices at wholesale for refined
16 sugar that would result from such determination and the
17 general cost of living in the United States as compared with
18 the relationship between prices at wholesale for refined
19 sugar and the general cost of living in the United States
20 obtaining during 1947 prior to the termination of price
21 control of sugar as indicated by the Consumers' Price Index
22 as published by the Bureau of Labor Statistics of the De-
23 partment of Labor.

24 SEC. 202. Whenever a determination is made, pursuant
25 to section 201, of the amount of sugar needed to meet the

1 requirements of consumers, the Secretary shall establish
2 quotas, or revise existing quotas—

3 (a) For domestic sugar-producing areas, by apportion-
4 ing among such areas 4,268,000 short tons, raw value, as
5 follows:

Area	Short tons, raw value
Domestic beet sugar-----	1, 800, 000
Mainland cane sugar-----	500, 000
Hawaii-----	1, 052, 000
Puerto Rico-----	910, 000
Virgin Islands -----	6, 000

6 (b) For the Republic of the Philippines, in the amount
7 of nine hundred and fifty-two thousand short tons of sugar as
8 specified in section 211 of the Philippine Trade Act of 1946.

9 (c) For foreign countries other than the Republic of
10 the Philippines, by prorating among such areas an amount
11 of sugar, raw value, equal to the amount determined pursuant
12 to section 201 less the sum of the quotas established pursuant
13 to subsections (a) and (b) of this section, on the following
14 basis:

Area	Per centum
Cuba-----	98. 64
Foreign countries other than Cuba and the Republic of the Philippines-----	1. 36

15 The quota for foreign countries other than Cuba and
16 the Republic of the Philippines shall be prorated among
17 such countries on the basis of the division of the quota for
18 such countries made in General Sugar Quota Regulations,
19 Series 4, Number 1, issued December 12, 1936, pursuant
20 to the Agricultural Adjustment Act, as amended.

1 (d) Notwithstanding the other provisions of this title
2 II, in the event the quota established for Cuba, including any
3 and all deficits allotted or prorated to Cuba pursuant to the
4 provisions of section 204 (a), shall be a smaller proportion
5 of the total amount of sugar which the Secretary determines
6 is needed to meet the requirements of consumers in the
7 continental United States pursuant to section 201 of this Act,
8 than the quota which would have been established for Cuba
9 upon such consumptive estimate under the provisions of
10 section 202 (b) of the Sugar Act of 1937, the quotas for
11 domestic sugar-producing areas established pursuant to the
12 other provisions of this title II shall be reduced pro rata
13 by such amounts as are required to establish such quota for
14 Cuba and the amounts by which such domestic sugar-pro-
15 ducing quotas are so reduced shall be added to the quota
16 for Cuba.

17 (e) If the Secretary of State finds that any foreign
18 country denies fair and equitable treatment to the nationals
19 of the United States, its commerce, navigation, or industry,
20 and so notifies the Secretary, the Secretary shall have au-
21 thority to withhold or withdraw any increase in the share
22 of the domestic consumption requirements provided for
23 such country by this Act as compared with the share
24 allowed under section 202 (b) of the Sugar Act of 1937:
25 *Provided*, That any amount of sugar so withheld or with-

1 drawn shall be prorated to domestic areas on the basis of
2 existing quotas for such areas and the Secretary shall revise
3 such quotas accordingly: *Provided further*, That any portion
4 of such amount of sugar which cannot be supplied by
5 domestic areas may be prorated to foreign countries other
6 than a country which the Secretary of State finds has denied
7 fair and equitable treatment to nationals of the United States.

8 SEC. 203. In accordance with such provisions of section
9 201 as he deems applicable, the Secretary shall also deter-
10 mine the amount of sugar needed to meet the requirements
11 of consumers in the Territory of Hawaii, and in Puerto Rico,
12 and shall establish quotas for the amounts of sugar which
13 may be marketed for local consumption in such areas equal
14 to the amounts determined to be needed to meet the require-
15 ments of consumers therein.

16 SEC. 204. (a) The Secretary shall, from time to time
17 during the calendar year, determine whether, in view of the
18 current inventories of sugar, the estimated production from
19 the acreage of sugarcane or sugar beets planted, the normal
20 marketings within a calendar year of new-crop sugar, and
21 other pertinent factors, any domestic area, the Republic of
22 the Philippines, or Cuba, will be unable to market the quota
23 for such area. If the Secretary finds that any domestic area
24 or Cuba will be unable to market the quota for such area for

1 the calendar year then current, he shall revise the quotas for
 2 the domestic areas and Cuba by prorating an amount of sugar
 3 equal to the deficit so determined to the other such areas on
 4 the basis of the quotas then in effect: *Provided, however,*
 5 That domestic areas shall not share in any deficit of any do-
 6 mestic area if the then outstanding determination of the Sec-
 7 retary made pursuant to section 201 of the Act is less than
 8 seven million short tons, raw value. If the Secretary finds
 9 that the Republic of the Philippines will be unable to market
 10 the quota for such area for the calendar year then current, he
 11 shall revise the quotas for Cuba and foreign countries other
 12 than Cuba and the Republic of the Philippines by prorating
 13 an amount of sugar equal to the deficit so determined, as
 14 follows:

To Cuba.....	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	5 per centum

15 *Provided, however,* That whenever the quota for Cuba estab-
 16 lished under the provisions of this Act other than section
 17 202 (d) is less than the amount required by the provisions
 18 of section 202 (d) of this Act, such prorations shall be as
 19 follows:

To Cuba	98.64 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	1.36 per centum

20 Any portion of such Philippine deficit which the Secretary
 21 determines cannot be supplied by Cuba shall be prorated to

1 foreign countries other than Cuba and the Republic of the
2 Philippines. No part of any Philippine deficit so prorated
3 may be filled by direct-consumption sugar.

4 (b) If, on the 1st day of September in any calendar
5 year, any part or all of the proration to any foreign country
6 of the quota for foreign countries other than Cuba and the
7 Republic of the Philippines established under the provisions
8 of section 202 (c) has not been filled, the Secretary may
9 revise the proration of such quota among such foreign coun-
10 tries by allotting an amount of sugar equal to such unfilled
11 proration to such foreign countries as have filled their
12 prorations of such quota by such date.

13 (c) The quota for any domestic area, the Republic of
14 the Philippines, Cuba, or other foreign countries as estab-
15 lished under the provisions of section 202 shall not be reduced
16 by reason of any determination of a deficit existing in any
17 calendar year under the provisions of subsections (a) and
18 (b) of this section 204.

19 (d) Any proration among foreign countries other than
20 Cuba and the Republic of the Philippines pursuant to this
21 section shall be on such basis as the Secretary shall determine.

22 SEC. 205. (a) Whenever the Secretary finds that the
23 allotment of any quota, or proration thereof, established for
24 any area pursuant to the provisions of this Act, is necessary
25 to assure an orderly and adequate flow of sugar or liquid

1 sugar in the channels of interstate or foreign commerce, or
2 to prevent disorderly marketing or importation of sugar or
3 liquid sugar, or to maintain a continuous and stable supply
4 of sugar or liquid sugar, or to afford all interested persons
5 an equitable opportunity to market sugar or liquid sugar
6 within any area's quota, after such hearing and upon such
7 notice as he may by regulations prescribe, he shall make al-
8 lotments of such quota or proration thereof by allotting to
9 persons who market or import sugar or liquid sugar, for
10 such periods as he may designate, the quantities of sugar
11 or liquid sugar which each such person may market in
12 continental United States, the Territory of Hawaii, or Puerto
13 Rico, or may import or bring into continental United States,
14 for consumption therein. Allotments shall be made in such
15 manner and in such amounts as to provide a fair, efficient,
16 and equitable distribution of such quota or proration thereof,
17 by taking into consideration the processings of sugar or
18 liquid sugar from sugar beets or sugarcane to which propor-
19 tionate shares, determined pursuant to the provisions of
20 subsection (b) of section 302, pertained; the past market-
21 ings or importations of each such person; and the ability
22 of such person to market or import that portion of such
23 quota or proration thereof allotted to him. The Secretary
24 may also, upon such hearing and notice as he may by

1 regulations prescribe, revise or amend any such allotment
2 upon the same basis as the initial allotment was made.

3 (b) An appeal may be taken, in the manner here-
4 inafter provided from any decision making such allotments,
5 or revisions thereof, to the United States Court of Appeals
6 for the District of Columbia in any of the following cases:

7 (1) By any applicant for an allotment whose applica-
8 tion shall have been denied.

9 (2) By any person aggrieved by reason of any decision
10 of the Secretary granting or revising any allotment made
11 to him.

12 (c) Such appeal shall be taken by filing with said court,
13 within twenty days after the decision complained of is effec-
14 tive, notice in writing of said appeal and a statement of the
15 reasons therefor, together with proof of service of a true copy
16 of said notice and statement upon the Secretary. Unless a
17 later date is specified by the Secretary as part of his decision,
18 the decision complained of shall be considered to be effective
19 as of the date on which public announcement of the decision
20 is made at the office of the Secretary in the city of Washing-
21 ton. The Secretary shall thereupon, and in any event not
22 later than ten days from the date of such service upon him,
23 mail or otherwise deliver a copy of said notice of appeal to
24 each person shown by the records of the Secretary to be

1 interested in such appeal and to have a right to intervene
2 therein under the provisions of this section, and shall at all
3 times thereafter permit any such person to inspect and make
4 copies of appellants' reasons for said appeal at the office of
5 the Secretary in the city of Washington. Within thirty days
6 after the filing of said appeal the Secretary shall file with the
7 court the originals or certified copies of all papers and evi-
8 dence presented to him upon the hearing involved, a like
9 copy of his decision thereon, a full statement in writing of
10 the facts and grounds for his decisions as found and given
11 by him and a list of all interested persons to whom he has
12 mailed or otherwise delivered a copy of said notice of appeal.

13 (d) Within thirty days after the filing of said appeal
14 any interested person may intervene and participate in the
15 proceedings had upon said appeal by filing with the court a
16 notice of intention to intervene and a verified statement
17 showing the nature of the interest of such party together
18 with proof of service of true copies of said notice and state-
19 ment, both upon the appellant and upon the Secretary. Any
20 person who would be aggrieved or whose interests would
21 be adversely affected by reversal or modification of the de-
22 cision of the Secretary complained of shall be considered an
23 interested party.

24 (e) At the earliest convenient time the court shall
25 hear and determine the appeal upon the record before it,

1 and shall have power, upon such record, to enter a judgment
2 affirming or reversing the decision, and if it enters an order
3 reversing the decision of the Secretary it shall remand the
4 case to the Secretary to carry out the judgment of the
5 court: *Provided, however,* That the review by the court
6 shall be limited to questions of law and that findings of fact
7 by the Secretary, if supported by substantial evidence, shall
8 be conclusive unless it shall clearly appear that the findings
9 of the Secretary are arbitrary or capricious. The court's
10 judgment shall be final, subject, however, to review by the
11 Supreme Court of the United States, upon writ of certiorari
12 on petition therefor, under section 240 of the Judicial Code,
13 as amended (U. S. C., title 28, sec. 347), by appellant,
14 by the Secretary, or by any interested party intervening in
15 the appeal.

16 (f) The court may, in its discretion, enter judgment
17 for costs in favor of or against an appellant, and other
18 interested parties intervening in said appeal, but not against
19 the Secretary, depending upon the nature of the issues in-
20 volved in such appeal and the outcome thereof.

21 SEC. 206. Subject to the provisions of sections 207 and
22 408 relating to the suspension of quotas, sugar quotas shall
23 be established pursuant to this Act for the calendar year 1948
24 within ten days after effective date of this Act.

25 SEC. 207. (a) Not more than twenty-nine thousand

1 six hundred and sixteen short tons, raw value, of the quota
2 for Hawaii for any calendar year may be filled by direct-
3 consumption sugar.

4 (b) Not more than one hundred and twenty-six thou-
5 sand and thirty-three short tons, raw value, of the quota for
6 Puerto Rico for any calendar year may be filled by direct-
7 consumption sugar.

8 (c) None of the quota for the Virgin Islands for any
9 calendar year may be filled by direct-consumption sugar.

10 (d) Not more than fifty-six thousand short tons of sugar
11 of the quota for the Republic of the Philippines for any
12 calendar year may be filled by direct-consumption sugar
13 as specified in section 211 of the Philippine Trade Act of
14 1946.

15 (e) Not more than three hundred and seventy-five
16 thousand short tons, raw value, of the quota for Cuba for
17 any calendar year may be filled by direct-consumption sugar.

18 (f) This section shall not apply with respect to the
19 quotas established under section 203 for marketing for local
20 consumption in Hawaii and Puerto Rico.

21 (g) The direct-consumption portions of the quotas
22 established pursuant to this section, and the enforcement
23 provisions of title II applicable thereto, shall continue in
24 effect and shall not be subject to suspension pursuant to the
25 provisions of section 409 of this Act unless the President

1 acting thereunder specifically finds and proclaims that a
 2 national economic or other emergency exists with respect
 3 to sugar or liquid sugar which requires the suspension of
 4 direct-consumption portions of the quotas.

5 SEC. 208. Quotas for liquid sugar for foreign countries
 6 for each calendar year are hereby established as follows:

Country	In terms of wine gallons of 72% total sugar content
Cuba	7, 970, 553
Dominican Republic.....	830, 894
Other foreign countries.....	0

7 SEC. 209. All persons are hereby prohibited—

8 (a) From bringing or importing into the continental
 9 United States from the Territory of Hawaii, Puerto Rico,
 10 the Virgin Islands, or foreign countries, (1) any sugar or
 11 liquid sugar after the applicable quota, or the proration of
 12 any such quota, has been filled, or (2) any direct-con-
 13 sumption sugar after the direct-consumption portion of any
 14 such quota has been filled;

15 (b) From shipping, transporting, or marketing in in-
 16 terstate commerce, or in competition with sugar or liquid
 17 sugar shipped, transported, or marketed in interstate or
 18 foreign commerce, any sugar or liquid sugar produced from
 19 sugar beets or sugarcane grown in either the domestic-beet-
 20 sugar area or the mainland cane-sugar area after the quota
 21 for such area has been filled;

22 (c) From marketing in either the Territory of Hawaii

1 or Puerto Rico, for consumption therein, any sugar or liquid
2 sugar after the quota therefor has been filled;

3 (d) From exceeding allotments of any quota, direct-
4 consumption portion of any quota, or proration of any
5 quota, made to them pursuant to the provisions of this Act.

6 SEC. 210. (a) The determinations provided for in sec-
7 tions 201 and 203, and all quotas, prorations, and allot-
8 ments, except quotas established pursuant to the provisions
9 of section 208, shall be made or established in terms of raw
10 value.

11 (b) For the purposes of this title, liquid sugar, except
12 that imported from foreign countries, shall be included with
13 sugar in making the determinations provided for in sec-
14 tions 201 and 203 and in the establishment or revision of
15 quotas, prorations, and allotments.

16 SEC. 211. (a) The raw-value equivalent of any sugar
17 or liquid sugar in any form, including sugar or liquid sugar
18 in manufactured products, exported from the continental
19 United States under the provisions of section 313 of the
20 Tariff Act of 1930 shall be credited against any charges
21 which shall have been made in respect to the applicable
22 quota or proration for the country of origin. The country
23 of origin of sugar or liquid sugar in respect to which any
24 credit shall be established shall be that country in respect
25 to importation from which draw-back of the exported sugar

1 or liquid sugar has been claimed. Sugar or liquid sugar
2 entered into the continental United States under an appli-
3 cable bond established pursuant to orders or regulations
4 issued by the Secretary, for the express purpose of subse-
5 quently exporting the equivalent quantity of sugar or liquid
6 sugar as such, or in manufactured articles, shall not be
7 charged against the applicable quota or proration for the
8 country of origin.

9 (b) Exportation within the meaning of sections 309
10 and 313 of the Tariff Act of 1930 shall be considered to be
11 exportation within the meaning of this section.

12 (c) The quota established for any domestic sugar-
13 producing area may be filled only with sugar or liquid sugar
14 produced from sugar beets or sugarcane grown in such area:
15 *Provided, however,* That any sugar or liquid sugar admitted
16 free of duty from the Virgin Islands under the Act of Con-
17 gress, approved March 3, 1917 (39 Stat. 1133), may be
18 admitted within the quota for the Virgin Islands.

19 SEC. 212. The provisions of this title shall not apply to
20 (1) the first ten short tons, raw value, of sugar or liquid
21 sugar imported from any foreign country, other than Cuba
22 and the Republic of the Philippines, in any calendar year;
23 (2) the first ten short tons, raw value, of sugar or liquid
24 sugar imported from any foreign country, other than Cuba
25 and the Republic of the Philippines, in any calendar year

1 for religious, sacramental, educational, or experimental pur-
2 poses; (3) liquid sugar imported from any foreign coun-
3 try, other than Cuba and the Republic of the Philippines,
4 in individual sealed containers of such capacity as the Secre-
5 tary may determine, not in excess of one and one-tenth
6 gallons each; or (4) any sugar or liquid sugar imported,
7 brought into, or produced or manufactured in the United
8 States for the distillation of alcohol, or for livestock feed,
9 or for the production of livestock feed.

10 TITLE III—CONDITIONAL-PAYMENT

11 PROVISIONS

12 SEC. 301. The Secretary is authorized to make pay-
13 ments on the following conditions with respect to sugar or
14 liquid sugar commercially recoverable from the sugar beets
15 or sugarcane grown on a farm for the extraction of sugar
16 or liquid sugar:

17 (a) That no child under the age of fourteen years shall
18 have been employed or permitted to work on the farm,
19 whether for gain to such child or any other person, in the
20 production, cultivation, or harvesting of a crop of sugar
21 beets or sugarcane with respect to which application for
22 payment is made, except a member of the immediate family
23 of a person who was the legal owner of not less than 40
24 per centum of the crop at the time such work was per-
25 formed; and that no child between the ages of fourteen and

1 sixteen years shall have been employed or permitted to do
2 such work, whether for gain to such child or any other per-
3 son, for a longer period than eight hours in any one day,
4 except a member of the immediate family of a person who
5 was the legal owner of not less than 40 per centum of the
6 crop at the time such work was performed. The Secretary
7 is authorized to make payments, notwithstanding a failure
8 to comply with the conditions provided in this subsection,
9 but the payments made with respect to any crop shall be
10 subject to a deduction of \$10 for each child for each day,
11 or a portion of a day, during which such child was employed
12 or permitted to work contrary to the foregoing provisions
13 of this subsection.

14 (b) That there shall not have been marketed (or
15 processed) an amount (in terms of planted acreage, weight,
16 or recoverable sugar content) of sugar beets or sugarcane
17 grown on the farm and used for the production of sugar or
18 liquid sugar to be marketed in, or so as to compete with or
19 otherwise directly affect interstate or foreign commerce, in
20 excess of the proportionate share for the farm, as determined
21 by the Secretary pursuant to the provisions of section 302,
22 of the total quantity of sugar beets or sugarcane required to
23 be processed to enable the area in which such sugar beets
24 or sugarcane are produced to meet the quota (and provide a
25 normal carry-over inventory) as estimated by the Secretary

1 for such area for the calendar year during which the larger
2 part of the sugar or liquid sugar from such crop normally
3 would be marketed.

4 SEC. 302. (a) The amount of sugar or liquid sugar
5 with respect to which payment may be made shall be the
6 amount of sugar or liquid sugar commercially recoverable,
7 as determined by the Secretary, from the sugar beets or
8 sugarcane grown on the farm and marketed (or processed by
9 the producer) not in excess of the proportionate share for the
10 farm, as determined by the Secretary, of the quantity of
11 sugar beets or sugarcane for the extraction of sugar or liquid
12 sugar required to be processed to enable the producing area
13 in which the crop of sugar beets or sugarcane is grown to
14 meet the quota (and provide a normal carry-over inventory)
15 estimated by the Secretary for such area for the calendar year
16 during which the larger part of the sugar or liquid sugar from
17 such crop normally would be marketed.

18 (b) In determining the proportionate shares with re-
19 spect to a farm, the Secretary may take into consideration
20 the past production on the farm of sugar beets and sugarcane
21 marketed (or processed) for the extraction of sugar or liquid
22 sugar and the ability to produce such sugar beets or sugar-
23 cane, and the Secretary shall, insofar as practicable, protect
24 the interests of new producers and small producers and the

1 interests of producers who are cash tenants, share tenants,
2 adherent planters, or share croppers.

3 (c) Payments shall be effective with respect to sugar
4 or liquid sugar commercially recoverable from sugar beets
5 and sugarcane grown on a farm commencing with the crop
6 year 1948.

7 SEC. 303. In addition to the amount of sugar or liquid
8 sugar with respect to which payments are authorized under
9 subsection (a) of section 302, the Secretary is also author-
10 ized to make payments, on the conditions provided in section
11 301, with respect to bona fide abandonment of planted acre-
12 age and crop deficiencies of harvested acreage, resulting from
13 drought, flood, storm, freeze, disease, or insects, which cause
14 such damage to all or a substantial part of the crop of sugar
15 beets or sugarcane in the same factory district (as established
16 by the Secretary), county, parish, municipality, or local pro-
17 ducing area, as determined in accordance with regulations
18 issued by the Secretary, on the following quantities of sugar
19 or liquid sugar: (1) With respect to such bona fide abandon-
20 ment of each planted acre of sugar beets or sugarcane, one-
21 third of the normal yield of commercially recoverable sugar
22 or liquid sugar per acre for the farm, as determined by the
23 Secretary; and (2) with respect to such crop deficiencies of
24 harvested acreage of sugar beets or sugarcane, the excess of

1 80 per centum of the normal yield of commercially recover-
 2 able sugar or liquid sugar for such acreage for the farm, as
 3 determined by the Secretary, over the actual yield.

4 SEC. 304. (a) The amount of the base rate of payment
 5 shall be 80 cents per hundred pounds of sugar or liquid
 6 sugar, raw value.

7 (b) All payments shall be calculated with respect to
 8 a farm which, for the purposes of this Act, shall be a farm-
 9 ing unit as determined in accordance with regulations issued
 10 by the Secretary, and in making such determinations, the
 11 Secretary shall take into consideration the use of common
 12 work stock, equipment, labor, management, and other per-
 13 tinent factors.

14 (c) The total payment with respect to a farm shall be
 15 the product of the base rate specified in subsection (a) of
 16 this section multiplied by the amount of sugar and liquid
 17 sugar, raw value, with respect to which payment is to be
 18 made, except that reduction shall be made from such total
 19 payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following in- tervals of short tons, raw value	Reduction in the base rate of payment per hundred- weight of such portion
350 to 700_____	\$0. 05
700 to 1,000_____	. 10
1,000 to 1,500_____	. 20
1,500 to 3,000_____	. 25
3,000 to 6,000_____	. 275
6,000 to 12,000_____	. 30
12,000 to 30,000_____	. 325
More than 30,000_____	. 50

1 (d) Application for payment shall be made by, and
2 payments shall be made to, the producer or, in the event
3 of his death, disappearance, or incompetency, his legal
4 representative, or heirs: *Provided, however,* That all pro-
5 ducers on the farm shall signify in the application for pay-
6 ment the percentage of the total payment with respect to
7 the farm to be made to each producer: *And provided further,*
8 That payments may be made, (1) in the event of the
9 death, disappearance, or incompetency of a producer, to
10 such beneficiary as the producer may designate in the
11 application for payment; (2) to one producer of a group of
12 two or more producers, provided all producers on the farm
13 designate such producer in the application for payment as
14 sole recipient for their benefit of the payment with respect
15 to the farm; or (3) to a person who is not a producer, pro-
16 vided such person controls the land included within the
17 farm with respect to which the application for payment is
18 made and is designated by the sole producer (or all pro-
19 ducers) on the farm, as sole recipient for his or their benefit,
20 of the payment with respect to the farm.

21 SEC. 305. In carrying out the provisions of titles II
22 and III of this Act, the Secretary is authorized to utilize
23 local committees of sugar beet or sugarcane producers, State
24 and county agricultural conservation committees, or the
25 Agricultural Extension Service and other agencies, and the

1 Secretary may prescribe that all or a part of the expenses of
2 such committees may be deducted from the payments herein
3 authorized.

4 SEC. 306. The facts constituting the basis for any pay-
5 ment, or the amount thereof authorized to be made under
6 this title, officially determined in conformity with rules or
7 regulations prescribed by the Secretary, shall be reviewable
8 only by the Secretary, and his determinations with respect
9 thereto shall be final and conclusive.

10 SEC. 307. This title shall apply to the continental United
11 States, the Territory of Hawaii, Puerto Rico, and the
12 Virgin Islands.

13 TITLE IV—GENERAL PROVISIONS

14 SEC. 401. For the purposes of this Act, the Secretary
15 may make such expenditures as he deems necessary to carry
16 out the provisions of this Act, including personal services
17 and rents in the District of Columbia and elsewhere.

18 SEC. 402. (a) There is hereby authorized to be appro-
19 priated for each fiscal year for the purposes and administra-
20 tion of this Act the funds necessary to make the payments
21 provided for in title III of this Act and such other amounts
22 as the Congress determines to be necessary for such fiscal
23 year to carry out the other provisions of the Act.

24 (b) All funds available for carrying out this Act shall
25 be available for allotment to the bureaus and offices of the

1 Department of Agriculture and for transfer to such other
2 agencies of the Federal Government as the Secretary may
3 request to cooperate or assist in carrying out the provisions
4 of this Act.

5 (c) The funds made available for the purpose of
6 enabling the Secretary to carry into effect the provisions
7 of the Sugar Act of 1937, as amended, during the fiscal
8 year 1948 are also hereby made available to the Secretary
9 for purposes of administration of the provisions of this Act
10 during the fiscal year 1948.

11 SEC. 403. (a) The Secretary is authorized to make such
12 orders or regulations, which shall have the force and effect
13 of law, as may be necessary to carry out the powers vested
14 in him by this Act. Any person knowingly violating any
15 order or regulation of the Secretary issued pursuant to this
16 Act shall, upon conviction, be punished by a fine of not more
17 than \$100 for each such violation.

18 (b) Each determination issued by the Secretary in con-
19 nection with quotas and deficits under title II or payments
20 under title III of this Act shall be promptly published in the
21 Federal Register and shall be accompanied by a statement
22 of the bases and considerations upon which such determina-
23 tion was made.

24 SEC. 404. The several district courts of the United
25 States are hereby vested with jurisdiction specifically to en-

1 force, and to prevent and restrain any person from violating,
2 the provisions of this Act or of any order or regulation made
3 or issued pursuant to this Act. If and when the Secretary
4 shall so request, it shall be the duty of the several district
5 attorneys of the United States, in their respective districts,
6 to institute proceedings to enforce the remedies and to collect
7 the penalties and forfeitures provided for in this Act. The
8 remedies provided for in this Act shall be in addition to, and
9 not exclusive of, any of the remedies or penalties existing at
10 law or in equity.

11 SEC. 405. Any person who knowingly violates, or at-
12 tempts to violate, or who knowingly participates or aids
13 in the violation of, any of the provisions of section 209, or
14 any person who brings or imports into the continental United
15 States direct-consumption sugar after the quantities specified
16 in section 207 have been filled, shall forfeit to the United
17 States the sum equal to three times the market value, at
18 the time of the commission of any such act, (a) of that
19 quantity of sugar or liquid sugar by which any quota, pro-
20 ration, or allotment is exceeded, or (b) of that quantity
21 brought or imported into the continental United States after
22 the quantities specified in section 207 have been filled, which
23 forfeiture shall be recoverable in a civil suit brought in the
24 name of the United States.

25 SEC. 406. All persons engaged in the manufacturing,

1 marketing, or transportation or industrial use of sugar or
2 liquid sugar, and having information which the Secretary
3 deems necessary to enable him to administer the provisions
4 of this Act, shall, upon the request of the Secretary, fur-
5 nish him with such information. Any person willfully fail-
6 ing or refusing to furnish such information or furnishing
7 willfully any false information, shall upon conviction be
8 subject to a penalty of not more than \$1,000 for each such
9 violation.

10 SEC. 407. No person shall, while acting in any official
11 capacity in the administration of this Act, invest or speculate
12 in sugar or liquid sugar, contracts relating thereto, or the
13 stock or membership interests of any association or corpora-
14 tion engaged in the production or manufacturing of sugar
15 or liquid sugar. Any person violating this section shall
16 upon conviction thereof be fined not more than \$10,000 or
17 imprisoned not more than two years, or both.

18 SEC. 408. Whenever pursuant to the provisions of this
19 Act the President finds and proclaims that a national eco-
20 nomic or other emergency exists with respect to sugar or
21 liquid sugar, he shall by proclamation suspend the operation,
22 except as provided in section 207 of this Act, of all the pro-
23 visions of title II above, and, thereafter, the operation of such
24 title shall continue in suspense until the President finds and
25 proclaims that the facts which occasioned such suspension no

1 longer exist. The Secretary shall make such investigations
2 and reports thereon to the President as may be necessary to
3 aid him in carrying out the provisions of this section.

4 SEC. 409. Whenever the Secretary determines that such
5 action is necessary to effectuate the purposes of this Act, he
6 is authorized, if first requested by individuals or associations
7 constituting or representing a substantial proportion of the
8 persons affected in any one of the five domestic sugar-produc-
9 ing areas, to make for such area surveys and investigations to
10 the extent he deems necessary, including the holding of public
11 hearings, and to make recommendations with respect to (a)
12 the terms and conditions of contracts between the producers
13 and processors of sugar beets and sugarcane in such area and
14 (b) the terms and conditions of contracts between laborers
15 and producers of sugar beets and sugarcane in such area. In
16 carrying out the provisions of this section, information shall
17 not be made public with respect to the individual operations
18 of any processor, producer, or laborer.

19 SEC. 410. The Secretary is authorized to conduct sur-
20 veys, investigations, and research relating to the conditions
21 and factors affecting the methods of accomplishing most
22 effectively the purposes of this Act and for the benefit of
23 agriculture generally in any area. Notwithstanding any
24 provision of existing law, the Secretary is authorized to make

1 public such information as he deems necessary to carry out
2 the provisions of this Act.

3 SEC. 411. The powers vested in the Secretary under
4 this Act shall terminate on December 31, 1952, except
5 that the Secretary shall have power to make payments under
6 title III under programs applicable to the crop year 1952 and
7 previous crop years.

8 SEC. 412. The provisions of this Act, except where an
9 earlier effective date is provided for herein, shall become
10 effective January 1, 1948. As provided in section 513 of
11 the Sugar Act of 1937, the powers vested in the Secretary
12 under that Act shall terminate on December 31, 1947, except
13 that the Secretary shall have power to make payments under
14 title III of that Act under programs thereunder applicable
15 to the crop year 1947 and previous crop years.

16 TITLE V—AMENDMENTS TO THE INTERNAL
17 REVENUE CODE

18 SEC. 501. (a) Subsection (b) of section 3507 of the
19 Internal Revenue Code (relating to the definition of “manu-
20 factured sugar”) is amended by inserting in the parenthesis
21 after the word “added” therein the following: “or developed
22 in the product”.

23 (b) Section 3508 of the Internal Revenue Code (relat-
24 ing to termination of taxes) is amended to read as follows:

1 **“SEC. 3508. TERMINATION OF TAXES.**

2 “**No tax shall be imposed under this chapter on the**
3 **manufacture, use, or importation of sugar or articles com-**
4 **posed in chief value of sugar after June 30, 1953. Not-**
5 **withstanding the provisions of section 3490 or 3500, no tax**
6 **shall be imposed under this chapter with respect to unsold**
7 **sugar held by a manufacturer on June 30, 1953, or with**
8 **respect to sugar or articles composed in chief value of sugar**
9 **held in customs custody or control on such date.**

10 With respect to any sugar or articles composed in chief
11 value of sugar upon which tax imposed under section 3500
12 has been paid and which, on June 30, 1953, are held by the
13 importer and intended for sale or other disposition, there
14 shall be refunded (without interest) to such importer, sub-
15 ject to such regulations as may be prescribed by the Com-
16 missioner of Customs with the approval of the Secretary, an
17 amount equal to the tax paid with respect to such sugar
18 or articles composed in chief value of sugar.”

19 (c) The amendments to the Internal Revenue Code
20 provided for in this section shall become effective upon the
21 first day of the second month following the date of the enact-
22 ment of this Act.

A BILL

To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

By Mr. HOPE

JULY 2, 1947

Referred to the Committee on Agriculture

13. FLOOD CONTROL; SURPLUS PROPERTY. The Expenditures in the Executive Departments Committee reported with amendment S. 1515, to make surplus property available for the alleviation of damage caused by flood or other catastrophe (S.Rept. 435) (p. 8400).
14. FEDERAL AID TO EDUCATION. The Labor and Public Welfare Committee reported with amendment S. 472, to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, and for the general welfare (S.Rept. 425) (p. 8400).
15. AUDITING. Received the GAO audit report of the Defense Homes Corporation for the fiscal year 1946. To Expenditures in the Executive Departments Committee. (p. 8398).
16. SUGAR. Received a Mich. Legislature resolution urging increased sugar allotments for home consumption and removal of all sugar controls (pp. 8398-9).
17. ST. LAWRENCE SEAWAY. Received a Wis. Legislature resolution favoring this project (p. 8399).
18. ADJOURNED until Mon., July 7 (p. 8491).

HOUSE

19. SUGAR. The Agriculture Committee reported without amendment H.R. 4075, the proposed Sugar Act of 1948 (H.Rept. 796) (p. 8372).
The Daily Digest states that this bill will be considered on the floor Thurs., July 10 (p. D486).
20. LANDS. The Merchant Marine and Fisheries Committee reported with amendments H.R. 3043, to transfer the Crab Orchard Creek Land Utilization project, Ill., to Interior Department for use as a wildlife management area (H.Rept. 790) (p. 8372).
21. STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION BILL, 1948. Both Houses agreed to the conference report on this bill, H.R. 3311, and to the amendments in disagreement (pp. 8349-53, 8405-6). The amount for cooperation with Latin America was set at \$3,900,000 by the conferees (House figure, \$3,000,000; Senate figure, \$4,300,000). This bill will now be sent to the President.
22. SOIL CONSERVATION; FARM LOANS. The Agriculture Committee ordered* reported S. 512, to extend the SCS, ACP, and FHA programs to the Virgin Islands (p. D484).
23. PLANT QUARANTINE. The Agriculture Committee ordered* reported S. 336, to authorize the Secretary of Agriculture to limit the entry of nursery stock from foreign countries to that needed for propagation purposes in order to protect American interests from insects and plant diseases, and authorize the Secretary to require such stock to be grown in post-entry quarantine (p. D484).
24. NATIONAL FORESTS. The Agriculture Committee ordered* reported H.R. 1809, to facilitate the use and occupancy of national-forest lands by authorizing the Secretary to grant long-term occupancy permits for summer homes, hotels, etc., for a wider variety of purposes, and by extending the acreage limitation from 5 to 80 acres (p. D484).

* Copies of these bills and reports will not be available until the bills are actually reported, when this Digest will include statements to that effect.

25. RUBBER; ALCOHOL; FARM PRODUCTS. Rep. Curtis, Nebr., spoke in favor of continuing our plants for the manufacture of "farm-produced synthetic rubber," expanding markets for alcohol produced from farm products, and discussed four proposals for overcoming the price-disadvantage problem (pp. 8355-60).
26. WAR POWERS. The Judiciary Committee ordered* reported with amendments S.J.Res. 123, to declare the termination of certain emergency and war powers (p. D485).
27. LANDS. The Public Lands subcommittee ordered* reported to the full committee H.R. 1330, to abolish the Jackson Hole National Monument (p. D485).
- * Copies of these bills and reports will not be available until the bills are actually reported, when this Digest will include statements to that effect.
28. GOVERNMENT PROPAGANDA. Rep. Miller, Conn., criticized propaganda in connection with three newspaper articles on public utilities, which he inserted and which he said made "plain implication...that ...the subcommittee had reached a conclusion even before hearing the testimony in opposition to the proposals" (pp. 8361-3).
29. TAXATION. The Ways and Means Committee reported without amendment H.R. 3950, the individual income tax-reduction bill which would become effective Jan. 1, 1948 (p. 8372).
30. RESEARCH; INFORMATION. Rep. Shafer, Mich., called attention to a Department press release on clothing stains that may come from scorched ironing-board covers, and stated "I would be very much interested to know how many people the United States Department of Agriculture has had to keep on its pay roll in order to discover this important fact and to convey it to the public" (p. 8370).

31. ADJOURNED until Mon., July 7 (p. 8372). The Daily Digest lists the following program for this week: Mon., consent calendar and consideration of bills under suspension of the rules; Tues., income tax reduction bill; Wed., D.C. appropriation bill and Presidential succession bill; Thurs., H.R. 4075, proposed Sugar Act of 1948; and Fri. and Sat., employees' loyalty, National Science Foundation, repeal of emergency and war powers, and National Mineral Resources Division bill (p. D486).

BILLS INTRODUCED

32. WATER UTILIZATION. H.J.Res. 225, by Rep. Sheppard (Calif.), H.J.Res. 226, by Rep. Phillips (Calif.), and S.J.Res. 145, by Sen. McCarran (Nev.), for himself and others, to authorize commencement of an action by the U.S. to determine interstate water rights in the Colorado River. To House Judiciary Committee. Senate measure not referred to committee. (pp. 8400, 8373). Remarks of Sen. McCarran (pp. 8400-1).

ITEMS IN APPENDIX

33. PRICES; MEAT SHORTAGE. Speech in the House by Rep. Murray, Wis., analyzing the meat situation, giving reasons for shortages and high prices, and pointing out USDA's part in the responsibility for the present meat situation (pp. A3534-4).
34. APPROPRIATIONS. Speech in the House by Rep. McCormack, Mass., criticizing appropriation reductions which would cause a loss in revenue and failure of service to farmers, particularly soil conservation (p. A3516).
- Rep. Price, Ill., inserted a St. Louis Post-Dispatch editorial criticizing appropriation reductions (pp. A3531).

SUGAR ACT OF 1948

JULY 3, 1947.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HOPE, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 4075]

The Committee on Agriculture, to whom was referred the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes, having considered the same, report thereon with a recommendation that it do pass.

GENERAL STATEMENT

The accompanying bill would, in effect, reenact with certain changes the Sugar Act of 1937, as amended, which would otherwise terminate on December 31, 1947. This bill, except where otherwise provided, would become effective January 1, 1948, and continue in effect for a period of 5 years ending December 31, 1952. The tax with respect to sugar, originally provided for in the Sugar Act of 1937 and now included as a part of the Internal Revenue Code, would also be extended for a period of 5 years to July 1, 1953. Like its predecessors, the Jones-Costigan Sugar Act of 1934 and the Sugar Act of 1937, the bill has as its primary objective the stabilization of the sugar producing, refining, and importing industries. This over-all objective would be effectuated through the establishment and use of quotas under which the United States market would be divided among the various domestic sugar-producing areas and certain foreign sugar-producing areas which have historically supplied the domestic market. As a means of implementing the sugar quotas authorized to be established, provision is made for making payments to domestic producers of sugar beets and sugarcane. A further implementing provision is the continuation of the excise tax on sugar manufactured in the United

States which is designed to provide sufficient revenue to equal the amount of the payments made to producers. In administering the provisions of the Sugar Act of 1948 and in the establishment of quotas thereunder, the Secretary of Agriculture is subject to the over-all mandate of protecting the welfare of consumers and of those engaged in the domestic sugar industry by assuring a supply of sugar at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the sugar industry of the United States.

It has been recognized for some time by people interested in sugar that the Sugar Act of 1937, as amended, would not be adequate should the reimposition of quotas become necessary because of certain conditions affecting the production and distribution of sugar which have been brought about by the war.

Under the Sugar Act of 1937 any deficit in the quota for the Republic of the Philippines is required to be allotted to foreign countries other than Cuba. This provision of law, which was included at a time when it was never contemplated that any Philippine deficit would be other than a nominal one, makes the Sugar Act of 1937 unworkable in view of the present situation, where for the next few years the probability is that the Philippine deficits will be substantial. During the war the supply of sugar from the Philippines was cut off entirely and greatly increased supplies were obtained from Cuba with the result that during this period Cuban production was greatly expanded. By permitting Cuba to supply the principal portion of the Philippine deficit at a time when its production is at an all-time high will, in effect, substantially continue the pattern established during the war and enable Cuba to gradually adjust its production downward to a sound level with a minimum of economic disruption.

It should be pointed out that this bill is a short-term measure designed to meet postwar adjustment problems in the production and distribution of sugar. For example, provision has been made for allotting to Cuba almost the entire deficit anticipated in the Philippine quota. Domestic areas have been given fixed quotas rather than percentage quotas for a temporary period of 5 years, which period is believed to be of sufficient duration to enable necessary postwar adjustments to be made in the foreign areas supplying the United States sugar market. The committee believes that it should be made abundantly clear that the distribution of the American sugar market among the producers of the United States and foreign countries and the provision for the establishment of quotas for the ensuing 5 years on the basis provided for in this bill is not intended to establish, and should not be construed as establishing, a permanent production and distribution pattern nor as waiving American producers' rights to such portions of the American market as they can supply at the conclusion of the 5-year period covered by the bill. On the contrary, it should be emphasized that this bill is designed to meet the problems of the temporary postwar transition period and is not to be regarded as the establishment of long-time national sugar policy.

MAJOR CHANGES IN EXISTING LAW

Consumption estimate

Section 201 would modify the method of estimating the quantity of sugar needed to meet the requirement of consumers in the conti-

mental United States. The Sugar Act of 1937 provides that the estimate of consumption requirements shall afford an annual supply to consumers, on a per capita basis, in an amount not less than the average per capita consumption during the 2-year period 1937-38, which amounted to 102.6 pounds. This per capita standard is omitted from the bill and there is provided a provision directing the Secretary in making consumption estimates to take into consideration certain standards with a view to providing a supply of sugar which will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry. The standards to be taken into consideration include the level of consumption during the preceding year, any deficiency or surplus in inventories of sugar, changes in population and demand conditions, the level and trend of consumers' purchasing power, and the relationship between the prices at wholesale for refined sugar and the general cost of living in the United States as compared with the relationship between the prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control on sugar. Under this section the Secretary is not required to limit his estimate of consumption requirements to any one of the factors enumerated. He is merely required to take such factors into consideration before he makes his determination. The over-all or controlling guide is the provision which requires the establishment of a supply of sugar which will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry.

In rewriting section 201 to incorporate additional standards to be considered by the Secretary in estimating consumption requirements the word "average" was omitted which formerly preceded and modified the word "prices" in line 8, page 6, of the bill and the words "as a whole" were omitted which formerly followed and modified the words "domestic sugar industry" appearing in lines 10 and 11 on page 6 of the bill. It is the intention of the committee that such omissions are not to be construed as altering the interpretations heretofore placed upon such words or phrases or as warranting a new interpretation different from that placed upon such words and phrases as they appeared in the Sugar Act of 1937. This is in accord with the interpretation placed upon the language of the bill by the representatives of the Department of Agriculture who appeared before the committee.

ESTABLISHMENT OF QUOTAS

Section 202 of the bill makes important changes in sugar quotas from those found in the Sugar Act of 1937. Under the Sugar Act of 1937, the quotas for all sugar-producing areas both domestic and foreign are based upon percentages of the estimate of consumption requirements so that annual quotas vary depending upon the amount of such estimate. Section 202 of the bill establishes fixed quotas for domestic producing areas totaling 4,268,000 short tons raw value. It also establishes a quota of 952,000 short tons of sugar (irrespective of polarization) as specified in section 211 of the Philippine Trade Act of 1946. The difference between the fixed amounts for the domestic producing areas and the Republic of the Philippines and

the estimate of consumption requirements is apportioned to Cuba and foreign countries other than Cuba and the Republic of the Philippines on the basis of the same percentage ratios as are now provided in the Sugar Act of 1937, namely, 98.64 percent to Cuba and 1.36 percent to full-duty countries.

Section 202 (d) guarantees for Cuba a minimum quota after reallocation of deficits, equivalent to the share (28.6 percent) of the total estimate of consumption provided for Cuba in section 202 (b) of the Sugar Act of 1937. Under this provision, whenever Cuba's share under the quota system set forth in this bill would otherwise fall below 28.6 percent, the quotas for domestic producing areas would be reduced on a pro rata basis by the amount necessary to provide a quota for Cuba of 28.6 percent. The committee believes it likely that the consumption of sugar in this country during the next 5 years will be at a sufficiently high level so that Cuba's quota will exceed 28.6 percent of the consumption requirements and that no revision of the specific quotas established for domestic producing areas will have to be made.

Section 202 (e) is a new provision under which the Secretary is authorized to withhold or withdraw any increase in the quota for any foreign country over that provided for such country under the Sugar Act of 1937 upon a finding and notification by the Secretary of State that such country denies fair and equitable treatment to nationals of the United States, its commerce, navigation, or industry. In the event that any quota, or any portion thereof, is withheld or withdrawn pursuant to this section the amounts so withdrawn are to be allocated proportionately among the domestic producing areas, and if the domestic areas are unable to fulfill such amounts so allotted then the amounts unfilled may be allotted by the Secretary to foreign countries which do not deny fair and equitable treatment to nationals of the United States.

It has been brought to the attention of the committee that there have been instances where nationals of the United States have been unable to collect pecuniary claims from foreign governments notwithstanding the fact that, in many instances, the validity of such claims has been acknowledged by, or adjudicated in the courts of, such foreign countries.

It is the intent of the committee that the nonpayment of valid claims which have been adjudicated or acknowledged by foreign countries shall constitute unfair or inequitable treatment within the meaning of section 202 (e). Representatives of the State Department appearing before the committee concurred in this construction of the language of section 202 (e).

PRORATION OF AREA DEFICITS

Section 204 of the bill would change the provision of the present law with respect to the allocation of any Philippine deficit by providing for the allocation of such deficit to Cuba and full-duty countries, with 95 percent of such deficit allotted to Cuba and the balance of 5 percent to full-duty countries. Under the Sugar Act of 1937, the entire Philippine deficit is reallocated to full-duty countries. The deficits in the Philippine quota were relatively small prior to the war as compared with expected substantial deficits during the next few years.

Section 204 also provides that in the event the quota for Cuba, after reallocation of deficits, would fall below 28.6 percent, except for the

provisions of section 202 (d) described above. The proration to full-duty countries would be 1.36 percent instead of 5 percent, and the proration to Cuba would be 98.64 percent instead of 95 percent. The Philippine deficit would be prorated on this revised basis before application of section 202 (d) for the purpose of maintaining the Cuban quota at not less than 28.6 percent.

The deficit in any domestic area, as in the 1937 act, is shared by the remaining domestic areas and Cuba proportionately to the quotas in effect.

CONDITIONAL PAYMENTS

Section 301 of the bill specifies the conditions which a grower must meet in order to be eligible to receive full payments under the act. These conditions are (1) that growers of sugar beets or sugarcane shall not employ child labor (except members of their immediate families), and (2) that growers shall not market sugar beets or sugarcane in excess of the proportionate shares (in terms of acreage allotments, weight, or recoverable sugar content) established by the Secretary for their respective farms.

Under section 409 of the bill, the Secretary is authorized, if first requested by individuals or associations constituting or representing a substantial proportion of the persons affected in any one of the five domestic-sugar producing areas, to make recommendations with respect to the terms and conditions of contracts between producers and processors and the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane. The provisions of section 409 are similar to the provisions of section 511 of the Sugar Act of 1937 except that under section 409 the Secretary may not make recommendations unless he is first requested to do so by a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas and any such recommendations must be made on an area-wide basis.

EXPLANATION OF THE BILL

Definitions

Title I contains definitions applicable to the entire bill except title V. Title V contains proposed amendments to the provisions of the Internal Revenue Code relating to taxes on sugar, and separate definitions for tax purposes are found in the Internal Revenue Code. The only change in the definitions in Title I is in subsection (f) of section 101, the definition of "liquid sugar." In the present law "liquid sugar" means—

any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble nonsugar solids (excluding any foreign substances that may have been added) equal to 6 per centum or less of the total soluble solids.

The definition is changed by the bill so that the second parenthetical clause in the definition would read "(excluding any foreign substances that may have been added or developed in the product)." The definition as changed will not bring within its terms any new or different type of sugar product. The purpose is to include certain sugars which properly belong within the definition but which have not been covered by the definition because there has been artificially

developed in the product additional soluble nonsugar solids sufficient to make the total soluble solids of the product in excess of 6 per centum.

Quota provisions

Title II contains the quota provisions. The Secretary of Agriculture is authorized under section 201 to determine the requirements of consumers for each calendar year on the basis of the standards specified therein. In making his determinations the Secretary is directed to protect the welfare of consumers and of those engaged in the domestic sugar-producing industry by providing a quantity of sugar which will be consumed at prices fair to both consumers and the domestic sugar industry.

The Secretary is authorized under section 202 of the bill to establish quotas for the various domestic areas and for foreign countries. The quotas to be established for domestic areas and the Republic of the Philippines are set out in section 202 in specific amounts. The quotas for domestic areas are to be established by apportioning among such areas 4,268,000 short tons of sugar, raw value, as follows:

Area:	Short tons, raw value
Domestic beet sugar.....	1, 800, 000
Mainland cane sugar.....	500, 000
Hawaii.....	1, 052, 000
Puerto Rico.....	910, 000
Virgin Islands.....	6, 000

The quota for the Philippines is 952,000 tons of sugar (irrespective of polarization) which corresponds to the quota for that area set forth in the Philippine Trade Act of 1936. The remainder of the consumption requirements is to be apportioned (1) to Cuba and (2) to other foreign countries on the basis of the division between such countries specified in the Sugar Act of 1937. Section 202 further provides that if the quota established for Cuba, including deficits allotted or prorated under section 204, should be a smaller proportion of the consumption estimate than the quota which would have been established for Cuba under such estimate under the provisions of section 202 of the Sugar Act of 1937, the quotas for the domestic areas shall be reduced pro rata by such amounts as are necessary to provide Cuba with such minimum quota. The Secretary of Agriculture is authorized to withhold from any foreign country any increase which this bill would provide for such country over the quota which it would have obtained under the Sugar Act of 1937, if the Secretary of State finds and notifies the Secretary of Agriculture that such country denies fair and equitable treatment to nationals of this country, or discriminates against the commerce, navigation, or industry of the United States. In the event that any amount of sugar is withheld or withdrawn under this section such amount of sugar so withheld or withdrawn is to be prorated to domestic areas proportionately on the basis of existing quotas and if any portion of such amount of sugar cannot be supplied by domestic areas the Secretary may prorate such deficits to foreign countries. Section 203 continues the authority of the Secretary to determine quotas for local consumption in the Territory of Hawaii and in Puerto Rico.

Proration of deficits

The bill provides that the Secretary shall, from time to time, determine whether any domestic area, the Republic of the Philippines, or Cuba will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to fill its quota, section 204 directs that such deficit shall be prorated to other such areas on the basis of the quotas then in effect, with the proviso that Cuba shall receive the full amount of the deficit of any domestic area when the outstanding determination of consumption requirements under section 201 of the act is less than 7,000,000 short tons, raw value. Section 204 further provides that any deficit in the quota for the Republic of the Philippines shall be allotted to Cuba and full-duty countries in the ratio of 95 and 5 percent, respectively, except that, whenever the quota for Cuba established under the provisions of the bill other than section 202 (d) is less than the amount required by the provisions of that section, the deficit shall be allotted to Cuba and full-duty countries in the ratio of 98.64 and 1.36 percent, respectively. Any unfilled portion of the proration to any full-duty country, as of September 1 of any year, is to be allotted to other full-duty countries. Section 205 of the bill authorizes the Secretary to allot the quota for any area on the basis of standards specified therein.

Establishment of quotas for 1948

Section 206 of the bill provides that subject to the provisions of sections 207 and 408 relating to the suspension of quotas, sugar quotas shall be established pursuant to this act for the calendar year of 1948 within 10 days after January 1, 1948. Under provisions of sections 207 and 408 of the bill the President is authorized to suspend quotas whenever he finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar.

Direct-consumption quotas

Section 207 continues the provisions of the 1937 act with respect to the quantity of direct-consumption sugar which may be imported or brought into the continental United States except the direct-consumption portion of the quota for the Republic of the Philippines is set at 56,000 short tons of sugar (irrespective of polarization) as provided in section 211 of the Philippine Trade Act of 1946.

The amounts of direct-consumption sugar which may be brought into the continental United States from areas other than the Republic of the Philippines are as follows:

Area:	Short tons, raw value
Hawaii.....	29, 616
Puerto Rico.....	126, 033
Virgin Islands.....	0
Cuba.....	375, 000

This section further provides that these direct-consumption portions of the quotas shall not be subject to suspension by the President, pursuant to the provisions of section 408, unless the President specifically finds and proclaims that an emergency exists with respect to sugar which requires their suspension.

Conditional-payment provisions

Title III contains the conditional-payment provisions of the bill. Section 301 authorizes the Secretary to make payments to producers who do not employ child labor (except members of their immediate families) and who do not market sugar beets or sugarcane in excess of the proportionate shares (acreage allotments) established by the Secretary for their respective farms. Section 302 authorizes the Secretary to establish proportionate shares for farms in each of the domestic areas in terms of each farm's fair share of the total quantity of sugar beets or sugarcane required to be processed to enable the producing area to meet the quota (and provide a normal carry-over inventory) for such area. The proportionate shares (acreage allotments) for farms are to be established on the basis of past production on the farm and ability to produce sugar beets or sugarcane thereon. In view of the differences in conditions of production obtaining in the various sugar-producing areas, the committee has not attempted to specify the exact manner in which the Secretary shall use production history. It is the judgment of the committee that considerable discretion should be left to the Secretary to deal with the varied and changing conditions in the various producing areas, in order to establish fair and equitable proportionate shares for farms in such areas. The bill also directs the Secretary to protect, insofar as practicable, the interests of new producers and small producers and the interest of tenants, sharecroppers, and adherent planters. Section 303 continues the provision of the 1937 act with respect to crop deficiency and abandonment payments which afford farmers protection in the case of crop losses due to specified weather hazards.

Section 304 provides for a base rate of payment of 80 cents per 100 pounds of sugar, and for reductions in this base rate of payment for farms producing in excess of 350 tons of sugar. The reductions in the base rate of payment vary from 5 cents per 100 pounds for that portion of the farm production between 350 and 700 tons to a reduction of 50 cents per 100 pounds for that portion of the production in excess of 30,000 tons. This provision continues the policy of preferring the small-size farm in the making of payments. The base rate of payment and the rates of reductions are the same as in the present law.

Local committees

In carrying out the provisions of titles II and III, the Secretary is authorized to utilize the service of local committees of producers, State and county agricultural conservation committees, and the Agricultural Extension Service and other agencies, and to prescribe that all or part of the expenses of such committees may be deducted from the payments.

General provisions

Title IV of the bill contains general provisions applicable to the entire bill except title V.

Authorization is made for an annual appropriation of such amounts as the Congress determines to be necessary to make the authorized payments to producers and to administer the legislation. The funds made available for the purpose of carrying out the provisions of the Sugar Act of 1937, as amended, during the fiscal year of 1948 are also made available under this bill to the Secretary for the purposes of administering the provisions of this act during the fiscal year of 1948.

The bases and considerations underlying determinations by the Secretary in connection with quotas and payments are required to be published in the Federal Register along with such determinations (sec. 403). District courts are given jurisdiction to enforce the provisions of the legislation and regulations issued thereunder (sec. 404). The Secretary is also authorized to require persons who manufacture, market, transport, or make industrial use of sugar to furnish such information as he deems to be necessary to administer the legislation (sec. 406). Department officials are prohibited from speculating in sugar or sugar companies' securities or interests (sec. 407).

Suspension of quotas

The President is authorized under section 408, upon a finding that a national economic or other emergency exists with respect to sugar, to suspend quotas established under title II. The quotas would again become operative on a finding by the President that the facts which constituted the emergency no longer exist.

Recommendations as to fair prices and wages

Section 409 authorizes the Secretary, when he determines such action necessary to effectuate the purposes of the legislation, upon the request of individuals or associations constituting or representing a substantial portion of the persons affected, to make such surveys and investigations as he deems necessary, including the holding of public hearings, and to make recommendations, with respect to the terms and conditions of contracts between processors and producers of sugar beets and sugarcane and the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane. Such recommendations are required to be made on an area-wide basis with respect to any one of the five domestic sugar-producing areas. In administering this provision the Secretary would be authorized to obtain information under the provisions of section 406 which provides for the furnishing of information which the Secretary deems necessary to enable him to administer all the provisions of the act including the provisions of section 409 thereof. The Secretary, however, is forbidden to disclose any information with respect to the individual operations of any processor, producer, or laborer.

Effective date

Section 412 of the bill provides that it shall become effective January 1, 1948, and that the powers vested in the Secretary under the Sugar Act of 1937 shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III of that act under programs applicable to the crop year 1947 and previous crop years.

Amendments to taxes relating to sugar

Title V contains certain amendments to the Internal Revenue Code relating to taxes on sugar. A change is made in the definition of "manufactured sugar" to conform with a similar change made by subsection (f) of section 101 in the definition of "liquid sugar" applicable to the provisions of the bill other than those contained in title V.

The termination date for the tax on sugar is extended to June 30, 1953, which covers a period of 5 years from the present termination date. There is also included a provision providing that no tax shall

be imposed with respect to unsold sugar held by a manufacturer at the time of the termination of the tax. Similarly, with respect to sugar held by an importer and intended for sale or other disposition at the time of the termination of the tax, there is to be refunded to such importer an amount equal to the tax paid. The purpose of this provision is to eliminate any inequity which might result if tax-paid sugar had to be marketed in competition with sugar marketed after termination of the tax.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is in italics, existing law in which no change is proposed is shown in roman):

SUGAR ACT OF 1937, AS AMENDED

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sugar Act of [1937] 1948".

TITLE I—DEFINITIONS

SEC. 101. For the purposes of this Act, except title [IV] V—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) the term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure, but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline quality to produce any sugars principally of crystalline structure.

(e) The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 per centum or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) The "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing ninety-six sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing ninety-two or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07.

(2) For sugar, derived from sugarcane and testing ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93.

(3) For sugar, derived from sugarcane and testing more than ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above ninety-two degrees.

(4) For sugar and liquid sugar, testing less than ninety-two sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972.

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection (h).

(i) The term "total sugar content" means the sum of the sucrose (Clerget) and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota", depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year, from the Territory of Hawaii, Puerto Rico, the Virgin Islands, [the Commonwealth of the Philippine Islands] or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugarcane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or liquid sugar which may be marketed in the Territory of Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculture.

TITLE II—QUOTA PROVISIONS

SEC. 201. The Secretary shall determine for each calendar year, *beginning with the calendar year 1948*, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (*in the case of the calendar year 1948, during the first ten days thereof*) and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption *because of changes in population and demand conditions*, as computed from statistics published by agencies of the Federal Government; [with respect to inventories of sugar, population, and demand conditions] and, in order that [the regulation of commerce provided by this Act shall not result in excessive prices to consumers, the Secretary shall make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available to consumers shall not result in average prices to consumers in excess of those necessary to maintain the domestic sugar industry as a whole. The amount of such additional allowances shall not be less than the amount required, after allowance for normal carry-over, to give consumers in the continental United States a per capita consumption equal to the average of the two-year period 1937–38.] *such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry. The Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.*

SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas, by [prorating] *apportioning* among such areas [55.59 per centum of such amount of sugar but not less than 3,715,000 short tons on the following basis] 4,268,000 short tons, raw value, as follows:

Area:	[Per centum]	Short tons, raw value
Domestic beet sugar.....	[41. 72]	1, 800, 000
Mainland cane sugar.....	[11. 31]	500, 000
Hawaii.....	[25. 25]	1, 052, 000
Puerto Rico.....	[21. 48]	910, 000
Virgin Islands.....	[. 24]	6, 000

(b) [For foreign countries, and the Commonwealth of the Philippine Islands, by prorating 44.41 per centum of such amount of sugar (except, if such amount of sugar is less than 6,682,670 short tons, the excess of such amount over 3,715,000 short tons) on the following basis:

Area:	Per centum
Commonwealth of the Philippine Islands.....	34. 70
Cuba.....	64. 41
Foreign countries other than Cuba.....	. 89

In no case shall the quota for the Commonwealth of the Philippine Islands be less than the duty-free quota now established by the provisions of the Philippine Independence Act.] *For the Republic of the Philippines, in the amount of 952,000 short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.*

(c) For foreign countries (and) *other than the Republic of the Philippines, by prorating among such areas an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:*

Area:	Per centum
Cuba.....	98. 64
Foreign countries other than Cuba and the Republic of the Philippines..	1. 36

The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, Number 1, issued December 12, 1936, pursuant to the Agricultural Adjustment Act, as amended.

(d) *Notwithstanding the other provisions of this title II, in the event the quota established for Cuba, including any and all deficits allotted or prorated to Cuba pursuant to the provisions of section 204 (a), shall be a smaller proportion of the total amount of sugar which the Secretary determines is needed to meet the requirements of consumers in the continental United States pursuant to section 201 of this Act, than the quota which would have been established for Cuba upon such consumptive estimate under the provisions of section 202 (b) of the Sugar Act of 1937, the quotas for domestic sugar-producing areas established pursuant to the other provisions of this title II shall be reduced pro rata by such amounts as are required to establish such quota for Cuba and the amounts by which such domestic sugar-producing quotas are so reduced shall be added to the quota for Cuba.*

(e) *If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this Act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937: Provided, That any amount of sugar so withheld or withdrawn shall be prorated to domestic areas on the basis of existing quotas for such areas and the Secretary shall revise such quotas accordingly: Provided further, That any portion of such amount of sugar which cannot be supplied by domestic areas may be prorated to foreign countries other than a country which the Secretary of State finds has denied fair and equitable treatment to nationals of the United States.*

SEC. 203. In accordance with [the applicable] such provisions of section 201, as he deems applicable, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

SEC. 204. (a) The Secretary shall, [as he deems necessary] *from time to time* during the calendar year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any domestic area, the [Commonwealth] Republic of the Philippines [Islands], or Cuba, will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect. Any portion of such sugar which the Secretary determines cannot be supplied by domestic areas and Cuba shall be prorated to foreign countries other than Cuba on the basis of the prorations of the quota then in effect for such foreign countries. *Provided, however, That domestic areas shall not share in any deficit of any domestic area if the then outstanding determination of the Secretary made pursuant to section 201 of the Act is less than seven million short tons, raw value.* If the Secretary finds that the [Commonwealth] Republic of the Philippines [Islands] will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for Cuba and foreign countries other than Cuba and the Republic of the Philippines by prorating an amount of sugar equal to the deficit so determined [on the basis of the proration of the quota then in effect for such countries] *as follows:*

To Cuba-----	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines-----	5 per centum

Provided, however, [That the quota for any domestic area, the Commonwealth of the Philippine Islands, or Cuba or other foreign countries, shall not be reduced by reason of any determination made pursuant to the provisions of this subsection.] That whenever the quota for Cuba established under the provisions of this Act other than section 202 (d) is less than the amount required by the provisions of section 202 (d) of this Act, such prorations shall be as follows:

To Cuba-----	98.64 per centum
To foreign countries other than Cuba and the Republic of the Philippines-----	1.36 per centum

Any portion of such Philippine deficit which the Secretary determines cannot be supplied by Cuba shall be prorated to foreign countries other than Cuba and the Republic of the Philippines. No part of any Philippine deficit so prorated may be filled by direct-consumption sugar.

(b) If, on the 1st day of September in any calendar year, any part or all of the proration to any foreign country of the quota [in effect on the 1st day of July in the same calendar year] for foreign countries other than Cuba and the Republic of the Philippines established under the provisions of section 202 (c) has not been filled, the Secretary may revise the proration of such quota among such foreign countries by [prorating] allotting an amount of sugar equal to such unfilled proration to [all other] such foreign countries [which] as have filed their prorations of such quota by such date [on the basis of the prorations then in effect].

(c) *The quota for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section 204.*

(d) *Any proration among foreign countries other than Cuba and the Republic of the Philippines pursuant to this section shall be on such basis as the Secretary shall determine.*

SEC. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this Act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into con-

tinental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302, pertained; the past marketings or importations of each such person; [or] and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

(b) An appeal may be taken, in the manner hereinafter provided, from any decision making such allotments, or revisions thereof, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(3) By any person aggrieved by reason of any decision of the Secretary granting or revising any allotment made to him.

(c) Such appeal shall be taken by filing with said Court, within twenty days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of said appeal the Secretary shall file with the court the originals or certified copies of all papers and evidence presented to him upon the hearing involved, [and also] a like copy of his decision thereon, [and shall file within thirty days thereafter,] a full statement in writing of the facts and grounds for his decisions as found and given by him and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

(d) Within thirty days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof or service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however,* That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 240 of the Judicial Code, as amended (U. S. C., title 28, sec. 347), by appellant, by the Secretary, or by any interested party intervening in the appeal.

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

[(g) The Government of the Commonwealth of the Philippines Islands shall make allotments of any quota established for it pursuant to the provisions of this Act on the basis specified in section 6 (d) of Public Law Numbered 127, approved March 24, 1934.]

SEC. 206. [Until sugar quotas are established pursuant to this Act for the calendar year 1937, which shall be within sixty days after its enactment, the

quotas determined by the Secretary in General Sugar Quota Regulations, Series 4, Number 1, issued December 12, 1936, pursuant to the provisions of the Agricultural Adjustment Act, as amended, shall remain in full force and effect.】 *Subject to provisions of sections 207 and 408 relating to the suspension of quotas, sugar quotas shall be established pursuant to this Act for the calendar year 1948 within ten days after effective date of this Act.*

SEC. 207. (a) 【(Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for each of the calendar years 1937, 1938, and 1939 may be filled by direct-consumption sugar; and not more than four thousand nine hundred and thirty-six short tons, raw value, of the quota for Hawaii for the calendar year 1940 may be filled, during the first two months of such year, by direct-consumption sugar. This subsection is hereby extended so that not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar: *Provided, however,* That the amount of said quota which may be filled by direct-consumption sugar for the calendar year 1940 shall not be less than the quantity of direct-consumption sugar from Hawaii actually brought into the continental United States, for consumption therein, after December 31, 1939, and up to and including the date of the enactment of this amendatory sentence.】 *Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.*

(b) 【Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for each of the calendar years 1937, 1938, and 1939 may be filled by direct-consumption sugar; and not more than twenty-one thousand and six short tons, raw value, of the quota for Puerto Rico for the calendar year 1940 may be filled, during the first two months of such year, by direct-consumption sugar. This subsection is hereby extended so that not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar: *Provided, however,* That the amount of said quota which may be filled by direct-consumption sugar for the calendar year 1940 shall not be less than the quantity of direct-consumption sugar from Puerto Rico actually brought into the continental United States, for consumption therein, after December 31, 1939, and up to and including the date of enactment of this amendatory sentence.】 *Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.*

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) Not more than 【eighty thousand two hundred and fourteen】 *fifty-six thousand short tons of sugar* 【raw value,】 of the quota for the 【Commonwealth】 Republic of the Philippines 【Islands】 for any calendar year may be filled by direct-consumption sugar *as specified in section 211 of the Philippine Trade Act of 1946.*

(e) Not more than three hundred and seventy-five thousand short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar.

(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

(g) *The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of title II applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 409 of this Act unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas.*

SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

Country—	In terms of wine gallons of 72% total sugar content
Cuba.....	7, 970, 558
Dominican Republic.....	830, 894
Other foreign countries.....	0

【The quantities of liquid sugar imported into the continental United States during the calendar year 1937, prior to the enactment of this Act, shall be charged against the quotas for the calendar year 1937 established by this section.】

SEC. 209. All persons are hereby prohibited—

(a) From bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands [the Commonwealth of the Philippine Islands] or foreign countries, (1) any sugar or liquid sugar after the applicable quota [for such area] or the proration of any such quota, has been filled, or (2) any *direct-consumption* sugar after the *direct-consumption* portion of any such quota has been filled;

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland cane-sugar area after the quota for such area has been filled;

(c) From marketing in either the Territory of Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

(d) From exceeding allotments of any quota, *direct-consumption* portion of any quota, or proration [thereof] of any quota, made to them pursuant to the provisions of this Act.

SEC. 210. (a) The determinations provided for in sections 201 and 203, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208, shall be made or established in terms of raw value.

(b) For the purposes of this title, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 and in the establishment or revision of quotas prorations, and allotments.

SEC. 211. (a) The raw-value equivalent of any sugar or liquid sugar in any form, including sugar or liquid sugar in manufactured products, exported from the continental United States under the provisions of section 313 of the Tariff Act of 1930 shall be credited against any charges which shall have been made in respect to the applicable quota or proration for the country of origin. The country of origin of sugar or liquid sugar in respect to which any credit shall be established shall be that country in respect to importation from which draw-back of the exported sugar or liquid sugar has been claimed. Sugar or liquid sugar entered into the continental United States under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin.

(b) Exportation within the meaning of sections 309 and 313 of the Tariff Act of 1930 shall be considered to be exportation within the meaning of this section.

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area: *Provided, however*, That any sugar or liquid sugar admitted free of duty from the Virgin Islands under the Act of Congress, approved March 3, 1917 (39 Stat. 1133), may be admitted within the quota for the Virgin Islands.

SEC. 212. The provisions of this title shall not apply to (1) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year; (2) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in individual sealed containers of such capacity as the Secretary may determine, not in excess of one and one-tenth gallons each; or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production of livestock feed.

TITLE III.—CONDITIONAL-PAYMENT PROVISIONS

SEC. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

(a) That no child under the age of fourteen years shall have been employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane with respect to which application for payment is made, except a member of the

immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed; and that no child between the ages of fourteen and sixteen years shall have been employed or permitted to do such work, whether for gain to such child or any other person, for a longer period than eight hours in any one day, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed. The Secretary is authorized to make payments, notwithstanding a failure to comply with the conditions provided in this subsection, but the payments made with respect to any crop shall be subject to a deduction of \$10 for each child for each day, or a portion of a day, during which such child was employed or permitted to work contrary to the foregoing provisions of this subsection.

[(b) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subsection may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.]

[(e) (b) That there shall not have been marketed or processed an amount in terms of planted acreage, weight, or recoverable sugar content of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota and provide a normal carry-over inventory as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.]

[(d) That the producer on the farm who is also, directly or indirectly, a processor of sugar beets or sugarcane, as may be determined by the Secretary, shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.]

[(e) That there shall have been carried out on the farm such farming practices in connection with the production of sugar beets and sugarcane during the year in which the crop was harvested with respect to which a payment is applied for, as the Secretary may determine, pursuant to this subsection, for preserving and improving fertility of the soil and for preventing soil erosion, such practices to be consistent with the reasonable standards of the farming community in which the farm is situated.]

[The conditions provided in subsection (a), and in subsection (b) with respect to wage rates, of this section shall not apply to work performed prior to the enactment of this Act; and the condition provided in subsection (e) of this section shall not apply to the marketing of the first crop harvested after the enactment of this Act from sugar beets or sugarcane planted prior to such enactment.]

SEC. 302. (a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carry-over inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

(c) Payments shall be effective with respect to sugar or liquid sugar commercially recoverable from sugar beets and sugarcane grown on a farm [and which shall have been marketed (or processed by a producer) on and after July 1, 1937.] *commencing with the crop year 1948.*

SEC. 303. In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302, the Secretary is also authorized to make payments, on the conditions provided in section 301, with respect to bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing area, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) with respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess of 80 per centum of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary, over the actual yield.

SEC. 304. (a) The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

(b) All payments shall be calculated with respect to a farm which, for the purposes of this Act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and, in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value:	Reduction in the base rate of payment per hundred-weight of such portion
350 to 700.....	\$0. 05
700 to 1,000.....	. 10
1,000 to 1,500.....	. 20
1,500 to 3,000.....	. 25
3,000 to 6,000.....	. 275
6,000 to 12,000.....	. 30
12,000 to 30,000.....	. 325
More than 30,000.....	. 50

(d) Application for payment shall be made by, and payments shall be made to, the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however,* That all producers on the farm shall signify in the application for payment the [per centum] *percentage* of the total payment with respect to the farm to be made to each producer: *And provided further,* That payments may be made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. In carrying out the provisions of titles II and III of this Act, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. The facts constituting the basis for any payment, or the amount thereof authorized to be made under this title, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. This title shall apply to the continental United States, the Territory of Hawaii, Puerto Rico, and the Virgin Islands.

TITLE [V] IV—GENERAL PROVISIONS

SEC. [501] 401. For the purposes of this Act, [except title IV] the Secretary shall—

[(a) Appoint and fix the compensation of such officers and employees as he may deem necessary in administering the provisions of this Act: *Provided*, That all such officers and employees, except attorneys, economists, experts, and persons in the employ of the Department of Agriculture on the date of the enactment of this Act, shall be subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended: *And provided further*, That no salary in excess of \$10,000 per annum shall be paid to any such person.] *may make such expenditures as he deems necessary to carry out the provisions of this Act, including personal services and rents in the District of Columbia and elsewhere* [, traveling expenses (including the purchase, maintenance, and repair of passenger-carrying vehicles), supplies and equipment, lawbooks, books of reference, directories, periodicals, and newspapers].

SEC. [502] 402. (a) There is hereby authorized to be appropriated for each fiscal year for the purposes and administration of this Act [, except for allotments in the Philippine Islands as provided in subsection (g) of section 205, a sum not to exceed \$55,000,000] *the funds necessary to make the payments provided for in title III of this Act and such other amounts as the Congress determines to be necessary for such fiscal year to carry out the other provisions of the Act.*

(b) All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this Act.

(c) *The funds made available for the purpose of enabling the Secretary to carry into effect the provisions of the Sugar Act of 1937, as amended, during the fiscal year 1948 are also hereby made available to the Secretary for purposes of administration of the provisions of this Act during the fiscal year 1948.*

[SEC. 503. There is authorized to be appropriated an amount equal to the amount of the taxes collected or accrued under title IV on sugars produced from sugarcane grown in the Commonwealth of the Philippine Islands which are manufactured in or brought into the United States on or prior to June 30, 1947, minus the costs of collecting such taxes and the estimates of amounts of refunds required to be made with respect to such taxes, for transfer to the Government of the Commonwealth of the Philippines for the purpose of financing a program of economic adjustment in the Philippines, the transfer to be made under such terms and conditions as the President of the United States may prescribe: *Provided*, That no part of the appropriations herein authorized shall be paid directly or indirectly for the production or processing of sugarcane in the Philippine Islands.]

SEC. [504] 403. (a) The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this Act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this Act shall, upon conviction, be punished by a fine of not more than \$100 for each such violation.

(b) *Each determination issued by the Secretary in connection with quotas and deficits under title II or payments under title III of this Act shall be promptly published in the Federal Register and shall be accompanied by a statement of the bases and considerations upon which such determination was made.*

SEC. [505] 404. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any

person from violating, the provisions of this Act or of any order or regulation made or issued pursuant to this Act. If and when the Secretary shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

SEC. [506] 405. Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (a) of that quantity of sugar or liquid sugar by which any quota, pro-ratio, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. [507] 406. All persons engaged in the manufacturing, marketing, or transportation or industrial use of sugar or liquid sugar, and having information which the Secretary deems necessary to enable him to administer the provisions of this Act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than \$1,000 for each such violation.

SEC. [508] 407. No person shall, while acting in any official capacity in the administration of this Act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than two years, or both.

SEC. [509] 408. Whenever pursuant to the provisions of this Act the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation, except as provided in section 207 of this Act, of all the provisions of title II [or III] above, [which he determines on the basis of such findings should be suspended] and, thereafter, the operation of [any] such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section.

[SEC. 510. The provisions of the Agricultural Adjustment Act, as amended, shall cease to apply to sugar upon the enactment of this Act, and the provisions of Public Resolution Numbered 109, Seventy-fourth Congress, approved June 19, 1936, are hereby repealed.]

SEC. [511] 409. [In order to facilitate the effectuation of the purposes of this Act, the Secretary is authorized] *Whenever the Secretary determines that such action is necessary to effectuate the purposes of this Act, he is authorized, if first requested by individuals or associations constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area and (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor, producer, or laborer.*

SEC. [512] 410. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this Act and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

SEC. [513] 411. The powers vested in the Secretary under this Act shall terminate on December 31, [1947] 1952, except that the Secretary shall have the power to make payments under title III under programs applicable to the crop year [1947] 1952, and previous crop years.

SEC. 412. The provisions of this Act, except where an earlier effective date is provided for herein, shall become effective January 1, 1948. As provided in section 513 of the Sugar Act of 1937, the powers vested in the Secretary under that Act shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III of that Act under programs thereunder applicable to the crop year 1947 and previous crop years.

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE

SEC. 501. (a) Subsection (b) of section 3507 of the Internal Revenue Code (relating to the definition of "manufactured sugar") is amended by inserting in the parenthesis after the word "added" therein, the following: "or developed in the product".

(b) Section 3508 of the Internal Revenue Code (relating to termination of taxes) is amended to read as follows:

"SEC. 3508. TERMINATION OF TAXES.

"No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar after June 30, [1947] 1953. Notwithstanding the provisions of section 3490 or 3500, no tax shall be imposed under this chapter with respect to unsold sugar held by a manufacturer on June 30, 1953, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date.

"With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 3500 has been paid and which, on June 30, 1953, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer, subject to such regulations as may be prescribed by the Commissioner of Customs with the approval of the Secretary, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar."

(c) The amendments to the Internal Revenue Code provided for in this section shall become effective upon the first day of the second month following the date of the enactment of this Act.

"SEC. 3509. FLOOR STOCKS REFUNDS ON MANUFACTURED SUGAR.

"(a) IN GENERAL.—With respect to manufactured sugar upon which the tax imposed under this chapter has been paid, and which upon termination of such tax is held for sale at retail, or held for use in the manufacture or production of any article intended for sale, there shall be credited or refunded to the manufacturer of such sugar (without interest), subject to such regulations as may be prescribed by the Commissioner with the approval of the Secretary, an amount equal to the tax paid by such manufacturer on stocks held by him plus such amount as has been paid by such manufacturer to any person holding such sugar as reimbursement for the termination of the tax imposed under this chapter, if claim for such credit or refund is filed with the Commissioner prior to the expiration of three months after the termination of such tax.

"(b) LIMITATIONS ON ELIGIBILITY FOR CREDIT OR REFUND.—No person shall be entitled to credit or refund under subsection (a) unless he has in his possession such evidence of the inventories with respect to which he has paid the tax or made the reimbursements described in subsection (a) as the regulations under subsection (a) prescribe.

"(c) All provisions of law, including penalties, applicable in respect of taxes imposed under this chapter shall, insofar as applicable and not inconsistent with this section, be applicable in respect of the credits and refunds provided for in this section to the same extent as if such credits or refunds constituted credits or refunds of such taxes."

(d) The amendments to the Internal Revenue Code provided for in this section shall become effective upon the first day of the second month following the date of the enactment of this Act.

80TH CONGRESS
1ST SESSION

H. R. 4075

[Report No. 796]

IN THE HOUSE OF REPRESENTATIVES

JULY 2, 1947

Mr. HOPE introduced the following bill; which was referred to the Committee on Agriculture

JULY 3, 1947

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Sugar Act of 1948".

4 TITLE I—DEFINITIONS

5 SEC. 101. For the purposes of this Act, except title V—

6 (a) The term "person" means an individual, partner-
7 ship, corporation, or association.

1 (b) The term "sugars" means any grade or type of
2 saccharine product derived from sugarcane or sugar beets,
3 which contains sucrose, dextrose, or levulose.

4 (c) The term "sugar" means raw sugar or direct-con-
5 sumption sugar.

6 (d) The term "raw sugar" means any sugars which are
7 principally of crystalline structure and which are to be fur-
8 ther refined or improved in quality, and any sugars which
9 are principally not of crystalline structure, but which are to
10 be further refined or otherwise improved in quality to pro-
11 duce any sugars principally of crystalline structure.

12 (e) The term "direct-consumption sugar" means any
13 sugars which are principally of crystalline structure and
14 which are not to be further refined or otherwise improved
15 in quality.

16 (f) The term "liquid sugar" means any sugars (ex-
17 clusive of sirup of cane juice produced from sugarcane grown
18 in continental United States) which are principally not of
19 crystalline structure and which contain, or which are to
20 be used for the production of any sugars principally not
21 of crystalline structure which contain, soluble nonsugar solids
22 (excluding any foreign substances that may have been
23 added or developed in the product) equal to 6 per centum
24 or less of the total soluble solids.

1 (g) Sugars in dry amorphous form shall be considered
2 to be principally of crystalline structure.

3 (h) The "raw value" of any quantity of sugars means
4 its equivalent in terms of ordinary commercial raw sugar
5 testing ninety-six sugar degrees by the polariscope, deter-
6 mined in accordance with regulations to be issued by the
7 Secretary. The principal grades and types of sugar and
8 liquid sugar shall be translated into terms of raw value in
9 the following manner:

10 (1) For direct-consumption sugar, derived from sugar
11 beets and testing ninety-two or more sugar degrees by the
12 polariscope, by multiplying the number of pounds thereof
13 by 1.07;

14 (2) For sugar, derived from sugarcane and testing
15 ninety-two sugar degrees by the polariscope, by multiplying
16 the number of pounds thereof by 0.93;

17 (3) For sugar, derived from sugarcane and testing
18 more than ninety-two sugar degrees by the polariscope, by
19 multiplying the number of pounds thereof by the figure
20 obtained by adding to 0.93 the result of multiplying 0.0175
21 by the number of degrees and fractions of a degree of polar-
22 ization above ninety-two degrees;

23 (4) For sugar and liquid sugar, testing less than ninety-
24 two sugar degrees by the polariscope, by dividing the num-
25 ber of pounds of the "total sugar content" thereof by 0.972.

1 (5) The Secretary may establish rates for translating
2 sugar and liquid sugar into terms of raw value for (a) any
3 grade or type of sugar or liquid sugar not provided for in
4 the foregoing and (b) any special grade or type of sugar
5 or liquid sugar for which he determines that the raw value
6 cannot be measured adequately under the provisions of para-
7 graphs (1) to (4), inclusive, of this subsection (h).

8 (i) The term "total sugar content" means the sum of
9 the sucrose (Clerget) and reducing or invert sugars con-
10 tained in any grade or type of sugar or liquid sugar.

11 (j) The term "quota", depending upon the context,
12 means (1) that quantity of sugar or liquid sugar which may
13 be brought or imported into the continental United States,
14 for consumption therein, during any calendar year, from the
15 Territory of Hawaii, Puerto Rico, the Virgin Islands, or a
16 foreign country or group of foreign countries; (2) that
17 quantity of sugar or liquid sugar produced from sugar beets
18 or sugarcane grown in the continental United States which,
19 during any calendar year, may be shipped, transported, or
20 marketed in interstate commerce, or in competition with
21 sugar or liquid sugar shipped, transported, or marketed in
22 interstate or foreign commerce; or (3) that quantity of
23 sugar or liquid sugar which may be marketed in the Territory
24 of Hawaii or in Puerto Rico, for consumption therein, during
25 any calendar year.

1 (k) The term "producer" means a person who is the
2 legal owner, at the time of harvest or abandonment, of a por-
3 tion or all of a crop of sugar beets or sugarcane grown on a
4 farm for the extraction of sugar or liquid sugar.

5 (l) The terms "including" and "include" shall not
6 be deemed to exclude anything not mentioned but otherwise
7 within the meaning of the term defined.

8 (m) The term "Secretary" means the Secretary of
9 Agriculture.

10 TITLE II—QUOTA PROVISIONS

11 SEC. 201. The Secretary shall determine for each
12 calendar year, beginning with the calendar year 1948, the
13 amount of sugar needed to meet the requirements of con-
14 sumers in the continental United States; such determina-
15 tions shall be made during the month of December in each
16 year for the succeeding calendar year (in the case of the
17 calendar year 1948, during the first ten days thereof) and
18 at such other times during such calendar year as the Secre-
19 tary may deem necessary to meet such requirements. In
20 making such determinations the Secretary shall use as a
21 basis the quantity of direct-consumption sugar distributed
22 for consumption, as indicated by official statistics of the
23 Department of Agriculture, during the twelve-month period
24 ending October 31 next preceding the calendar year for
25 which the determination is being made, and shall make

1 allowances for a deficiency or surplus in inventories of
2 sugar, and for changes in consumption because of changes
3 in population and demand conditions, as computed from
4 statistics published by agencies of the Federal Government;
5 and, in order that such determinations shall be made so as
6 to protect the welfare of consumers and of those engaged
7 in the domestic sugar industry by providing such supply of
8 sugar as will be consumed at prices which will not be ex-
9 cessive to consumers and which will fairly and equitably
10 maintain and protect the welfare of the domestic sugar in-
11 dustry, the Secretary, in making any such determination,
12 in addition to the consumption, inventory, population, and
13 demand factors above specified and the level and trend of
14 consumer purchasing power, shall take into consideration
15 the relationship between the prices at wholesale for refined
16 sugar that would result from such determination and the
17 general cost of living in the United States as compared with
18 the relationship between prices at wholesale for refined
19 sugar and the general cost of living in the United States
20 obtaining during 1947 prior to the termination of price
21 control of sugar as indicated by the Consumers' Price Index
22 as published by the Bureau of Labor Statistics of the De-
23 partment of Labor.

24 SEC. 202. Whenever a determination is made, pursuant
25 to section 201, of the amount of sugar needed to meet the

1 requirements of consumers, the Secretary shall establish
2 quotas, or revise existing quotas—

3 (a) For domestic sugar-producing areas, by apportion-
4 ing among such areas 4,268,000 short tons, raw value, as
5 follows:

Area	Short tons, raw value
Domestic beet sugar-----	1,800,000
Mainland cane sugar-----	500,000
Hawaii-----	1,052,000
Puerto Rico-----	910,000
Virgin Islands-----	6,000

6 (b) For the Republic of the Philippines, in the amount
7 of nine hundred and fifty-two thousand short tons of sugar as
8 specified in section 211 of the Philippine Trade Act of 1946.

9 (c) For foreign countries other than the Republic of
10 the Philippines, by prorating among such areas an amount
11 of sugar, raw value, equal to the amount determined pursuant
12 to section 201 less the sum of the quotas established pursuant
13 to subsections (a) and (b) of this section, on the following
14 basis:

Area	Per centum
Cuba-----	98.64
Foreign countries other than Cuba and the Republic of the Philippines-----	1.36

15 The quota for foreign countries other than Cuba and
16 the Republic of the Philippines shall be prorated among
17 such countries on the basis of the division of the quota for
18 such countries made in General Sugar Quota Regulations.
19 Series 4, Number 1, issued December 12, 1936, pursuant
20 to the Agricultural Adjustment Act, as amended.

1 (d) Notwithstanding the other provisions of this title
2 II, in the event the quota established for Cuba, including any
3 and all deficits allotted or prorated to Cuba pursuant to the
4 provisions of section 204 (a), shall be a smaller proportion
5 of the total amount of sugar which the Secretary determines
6 is needed to meet the requirements of consumers in the
7 continental United States pursuant to section 201 of this Act,
8 than the quota which would have been established for Cuba
9 upon such consumptive estimate under the provisions of
10 section 202 (b) of the Sugar Act of 1937, the quotas for
11 domestic sugar-producing areas established pursuant to the
12 other provisions of this title II shall be reduced pro rata
13 by such amounts as are required to establish such quota for
14 Cuba and the amounts by which such domestic sugar-pro-
15 ducing quotas are so reduced shall be added to the quota
16 for Cuba.

17 (e) If the Secretary of State finds that any foreign
18 country denies fair and equitable treatment to the nationals
19 of the United States, its commerce, navigation, or industry,
20 and so notifies the Secretary, the Secretary shall have au-
21 thority to withhold or withdraw any increase in the share
22 of the domestic consumption requirements provided for
23 such country by this Act as compared with the share
24 allowed under section 202 (b) of the Sugar Act of 1937:
25 *Provided*, That any amount of sugar so withheld or with-

1 drawn shall be prorated to domestic areas on the basis of
2 existing quotas for such areas and the Secretary shall revise
3 such quotas accordingly: *Provided further*, That any portion
4 of such amount of sugar which cannot be supplied by
5 domestic areas may be prorated to foreign countries other
6 than a country which the Secretary of State finds has denied
7 fair and equitable treatment to nationals of the United States.

8 SEC. 203. In accordance with such provisions of section
9 201 as he deems applicable, the Secretary shall also deter-
10 mine the amount of sugar needed to meet the requirements
11 of consumers in the Territory of Hawaii, and in Puerto Rico,
12 and shall establish quotas for the amounts of sugar which
13 may be marketed for local consumption in such areas equal
14 to the amounts determined to be needed to meet the require-
15 ments of consumers therein.

16 SEC. 204. (a) The Secretary shall, from time to time
17 during the calendar year, determine whether, in view of the
18 current inventories of sugar, the estimated production from
19 the acreage of sugarcane or sugar beets planted, the normal
20 marketings within a calendar year of new-crop sugar, and
21 other pertinent factors, any domestic area, the Republic of
22 the Philippines, or Cuba, will be unable to market the quota
23 for such area. If the Secretary finds that any domestic area
24 or Cuba will be unable to market the quota for such area for

1 the calendar year then current, he shall revise the quotas for
 2 the domestic areas and Cuba by prorating an amount of sugar
 3 equal to the deficit so determined to the other such areas on
 4 the basis of the quotas then in effect: *Provided, however,*
 5 That domestic areas shall not share in any deficit of any do-
 6 mestic area if the then outstanding determination of the Sec-
 7 retary made pursuant to section 201 of the Act is less than
 8 seven million short tons, raw value. If the Secretary finds
 9 that the Republic of the Philippines will be unable to market
 10 the quota for such area for the calendar year then current, he
 11 shall revise the quotas for Cuba and foreign countries other
 12 than Cuba and the Republic of the Philippines by prorating
 13 an amount of sugar equal to the deficit so determined, as
 14 follows:

To Cuba.....	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	5 per centum

15 *Provided, however,* That whenever the quota for Cuba estab-
 16 lished under the provisions of this Act other than section
 17 202 (d) is less than the amount required by the provisions
 18 of section 202 (d) of this Act, such prorations shall be as
 19 follows:

To Cuba	98.64 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	1.36 per centum

20 Any portion of such Philippine deficit which the Secretary
 21 determines cannot be supplied by Cuba shall be prorated to

1 foreign countries other than Cuba and the Republic of the
2 Philippines. No part of any Philippine deficit so prorated
3 may be filled by direct-consumption sugar.

4 (b) If, on the 1st day of September in any calendar
5 year, any part or all of the proration to any foreign country
6 of the quota for foreign countries other than Cuba and the
7 Republic of the Philippines established under the provisions
8 of section 202 (c) has not been filled, the Secretary may
9 revise the proration of such quota among such foreign coun-
10 tries by allotting an amount of sugar equal to such unfilled
11 proration to such foreign countries as have filled their
12 prorations of such quota by such date.

13 (c) The quota for any domestic area, the Republic of
14 the Philippines, Cuba, or other foreign countries as estab-
15 lished under the provisions of section 202 shall not be reduced
16 by reason of any determination of a deficit existing in any
17 calendar year under the provisions of subsections (a) and
18 (b) of this section 204.

19 (d) Any proration among foreign countries other than
20 Cuba and the Republic of the Philippines pursuant to this
21 section shall be on such basis as the Secretary shall determine.

22 SEC. 205. (a) Whenever the Secretary finds that the
23 allotment of any quota, or proration thereof, established for
24 any area pursuant to the provisions of this Act, is necessary
25 to assure an orderly and adequate flow of sugar or liquid

1 sugar in the channels of interstate or foreign commerce, or
2 to prevent disorderly marketing or importation of sugar or
3 liquid sugar, or to maintain a continuous and stable supply
4 of sugar or liquid sugar, or to afford all interested persons
5 an equitable opportunity to market sugar or liquid sugar
6 within any area's quota, after such hearing and upon such
7 notice as he may by regulations prescribe, he shall make al-
8 lotments of such quota or proration thereof by allotting to
9 persons who market or import sugar or liquid sugar, for
10 such periods as he may designate, the quantities of sugar
11 or liquid sugar which each such person may market in
12 continental United States, the Territory of Hawaii, or Puerto
13 Rico, or may import or bring into continental United States,
14 for consumption therein. Allotments shall be made in such
15 manner and in such amounts as to provide a fair, efficient,
16 and equitable distribution of such quota or proration thereof,
17 by taking into consideration the processings of sugar or
18 liquid sugar from sugar beets or sugarcane to which propor-
19 tionate shares, determined pursuant to the provisions of
20 subsection (b) of section 302, pertained; the past market-
21 ings or importations of each such person; and the ability
22 of such person to market or import that portion of such
23 quota or proration thereof allotted to him. The Secretary
24 may also, upon such hearing and notice as he may by

1 regulations prescribe, revise or amend any such allotment
2 upon the same basis as the initial allotment was made.

3 (b) An appeal may be taken, in the manner here-
4 inafter provided from any decision making such allotments,
5 or revisions thereof, to the United States Court of Appeals
6 for the District of Columbia in any of the following cases:

7 (1) By any applicant for an allotment whose applica-
8 tion shall have been denied.

9 (2) By any person aggrieved by reason of any decision
10 of the Secretary granting or revising any allotment made
11 to him.

12 (c) Such appeal shall be taken by filing with said court,
13 within twenty days after the decision complained of is effec-
14 tive, notice in writing of said appeal and a statement of the
15 reasons therefor, together with proof of service of a true copy
16 of said notice and statement upon the Secretary. Unless a
17 later date is specified by the Secretary as part of his decision,
18 the decision complained of shall be considered to be effective
19 as of the date on which public announcement of the decision
20 is made at the office of the Secretary in the city of Washing-
21 ton. The Secretary shall thereupon, and in any event not
22 later than ten days from the date of such service upon him,
23 mail or otherwise deliver a copy of said notice of appeal to
24 each person shown by the records of the Secretary to be

1 interested in such appeal and to have a right to intervene
2 therein under the provisions of this section, and shall at all
3 times thereafter permit any such person to inspect and make
4 copies of appellants' reasons for said appeal at the office of
5 the Secretary in the city of Washington. Within thirty days
6 after the filing of said appeal the Secretary shall file with the
7 court the originals or certified copies of all papers and evi-
8 dence presented to him upon the hearing involved, a like
9 copy of his decision thereon, a full statement in writing of
10 the facts and grounds for his decisions as found and given
11 by him and a list of all interested persons to whom he has
12 mailed or otherwise delivered a copy of said notice of appeal.

13 (d) Within thirty days after the filing of said appeal
14 any interested person may intervene and participate in the
15 proceedings had upon said appeal by filing with the court a
16 notice of intention to intervene and a verified statement
17 showing the nature of the interest of such party together
18 with proof of service of true copies of said notice and state-
19 ment, both upon the appellant and upon the Secretary. Any
20 person who would be aggrieved or whose interests would
21 be adversely affected by reversal or modification of the de-
22 cision of the Secretary complained of shall be considered an
23 interested party.

24 (e) At the earliest convenient time the court shall
25 hear and determine the appeal upon the record before it,

1 and shall have power, upon such record, to enter a judgment
2 affirming or reversing the decision, and if it enters an order
3 reversing the decision of the Secretary it shall remand the
4 case to the Secretary to carry out the judgment of the
5 court: *Provided, however,* That the review by the court
6 shall be limited to questions of law and that findings of fact
7 by the Secretary, if supported by substantial evidence, shall
8 be conclusive unless it shall clearly appear that the findings
9 of the Secretary are arbitrary or capricious. The court's
10 judgment shall be final, subject, however, to review by the
11 Supreme Court of the United States, upon writ of certiorari
12 on petition therefor, under section 240 of the Judicial Code,
13 as amended (U. S. C., title 28, sec. 347), by appellant,
14 by the Secretary, or by any interested party intervening in
15 the appeal.

16 (f) The court may, in its discretion, enter judgment
17 for costs in favor of or against an appellant, and other
18 interested parties intervening in said appeal, but not against
19 the Secretary, depending upon the nature of the issues in-
20 volved in such appeal and the outcome thereof.

21 SEC. 206. Subject to the provisions of sections 207 and
22 408 relating to the suspension of quotas, sugar quotas shall
23 be established pursuant to this Act for the calendar year 1948
24 within ten days after effective date of this Act.

25 SEC. 207. (a) Not more than twenty-nine thousand

1 six hundred and sixteen short tons, raw value, of the quota
2 for Hawaii for any calendar year may be filled by direct-
3 consumption sugar.

4 (b) Not more than one hundred and twenty-six thou-
5 sand and thirty-three short tons, raw value, of the quota for
6 Puerto Rico for any calendar year may be filled by direct-
7 consumption sugar.

8 (c) None of the quota for the Virgin Islands for any
9 calendar year may be filled by direct-consumption sugar.

10 (d) Not more than fifty-six thousand short tons of sugar
11 of the quota for the Republic of the Philippines for any
12 calendar year may be filled by direct-consumption sugar
13 as specified in section 211 of the Philippine Trade Act of
14 1946.

15 (e) Not more than three hundred and seventy-five
16 thousand short tons, raw value, of the quota for Cuba for
17 any calendar year may be filled by direct-consumption sugar.

18 (f) This section shall not apply with respect to the
19 quotas established under section 203 for marketing for local
20 consumption in Hawaii and Puerto Rico.

21 (g) The direct-consumption portions of the quotas
22 established pursuant to this section, and the enforcement
23 provisions of title II applicable thereto, shall continue in
24 effect and shall not be subject to suspension pursuant to the
25 provisions of section 409 of this Act unless the President

1 acting thereunder specifically finds and proclaims that a
 2 national economic or other emergency exists with respect
 3 to sugar or liquid sugar which requires the suspension of
 4 direct-consumption portions of the quotas.

5 SEC. 208. Quotas for liquid sugar for foreign countries
 6 for each calendar year are hereby established as follows:

Country	In terms of wine gallons of 72% total sugar content
Cuba -----	7, 970, 558
Dominican Republic -----	830, 894
Other foreign countries-----	0

7 SEC. 209. All persons are hereby prohibited—

8 (a) From bringing or importing into the continental
 9 United States from the Territory of Hawaii, Puerto Rico,
 10 the Virgin Islands, or foreign countries, (1) any sugar or
 11 liquid sugar after the applicable quota, or the proration of
 12 any such quota, has been filled, or (2) any direct-con-
 13 sumption sugar after the direct-consumption portion of any
 14 such quota has been filled;

15 (b) From shipping, transporting, or marketing in in-
 16 terstate commerce, or in competition with sugar or liquid
 17 sugar shipped, transported, or marketed in interstate or
 18 foreign commerce, any sugar or liquid sugar produced from
 19 sugar beets or sugarcane grown in either the domestic-beet-
 20 sugar area or the mainland cane-sugar area after the quota
 21 for such area has been filled;

22 (c) From marketing in either the Territory of Hawaii

1 or Puerto Rico, for consumption therein, any sugar or liquid
2 sugar after the quota therefor has been filled;

3 (d) From exceeding allotments of any quota, direct-
4 consumption portion of any quota, or proration of any
5 quota, made to them pursuant to the provisions of this Act.

6 SEC. 210. (a) The determinations provided for in sec-
7 tions 201 and 203, and all quotas, prorations, and allot-
8 ments, except quotas established pursuant to the provisions
9 of section 208, shall be made or established in terms of raw
10 value.

11 (b) For the purposes of this title, liquid sugar, except
12 that imported from foreign countries, shall be included with
13 sugar in making the determinations provided for in sec-
14 tions 201 and 203 and in the establishment or revision of
15 quotas, prorations, and allotments.

16 SEC. 211. (a) The raw-value equivalent of any sugar
17 or liquid sugar in any form, including sugar or liquid sugar
18 in manufactured products, exported from the continental
19 United States under the provisions of section 313 of the
20 Tariff Act of 1930 shall be credited against any charges
21 which shall have been made in respect to the applicable
22 quota or proration for the country of origin. The country
23 of origin of sugar or liquid sugar in respect to which any
24 credit shall be established shall be that country in respect
25 to importation from which draw-back of the exported sugar

1 or liquid sugar has been claimed. Sugar or liquid sugar
2 entered into the continental United States under an appli-
3 cable bond established pursuant to orders or regulations
4 issued by the Secretary, for the express purpose of subse-
5 quently exporting the equivalent quantity of sugar or liquid
6 sugar as such, or in manufactured articles, shall not be
7 charged against the applicable quota or proration for the
8 country of origin.

9 (b) Exportation within the meaning of sections 309
10 and 313 of the Tariff Act of 1930 shall be considered to be
11 exportation within the meaning of this section.

12 (c) The quota established for any domestic sugar-
13 producing area may be filled only with sugar or liquid sugar
14 produced from sugar beets or sugarcane grown in such area:
15 *Provided, however,* That any sugar or liquid sugar admitted
16 free of duty from the Virgin Islands under the Act of Con-
17 gress, approved March 3, 1917 (39 Stat. 1133), may be
18 admitted within the quota for the Virgin Islands.

19 SEC. 212. The provisions of this title shall not apply to
20 (1) the first ten short tons, raw value, of sugar or liquid
21 sugar imported from any foreign country, other than Cuba
22 and the Republic of the Philippines, in any calendar year;
23 (2) the first ten short tons, raw value, of sugar or liquid
24 sugar imported from any foreign country, other than Cuba
25 and the Republic of the Philippines, in any calendar year

1 for religious, sacramental, educational, or experimental pur-
2 poses; (3) liquid sugar imported from any foreign coun-
3 try, other than Cuba and the Republic of the Philippines,
4 in individual sealed containers of such capacity as the Secre-
5 tary may determine, not in excess of one and one-tenth
6 gallons each; or (4) any sugar or liquid sugar imported,
7 brought into, or produced or manufactured in the United
8 States for the distillation of alcohol, or for livestock feed,
9 or for the production of livestock feed.

10 TITLE III—CONDITIONAL-PAYMENT
11 PROVISIONS

12 SEC. 301. The Secretary is authorized to make pay-
13 ments on the following conditions with respect to sugar or
14 liquid sugar commercially recoverable from the sugar beets
15 or sugarcane grown on a farm for the extraction of sugar
16 or liquid sugar:

17 (a) That no child under the age of fourteen years shall
18 have been employed or permitted to work on the farm,
19 whether for gain to such child or any other person, in the
20 production, cultivation, or harvesting of a crop of sugar
21 beets or sugarcane with respect to which application for
22 payment is made, except a member of the immediate family
23 of a person who was the legal owner of not less than 40
24 per centum of the crop at the time such work was per-
25 formed; and that no child between the ages of fourteen and

1 sixteen years shall have been employed or permitted to do
2 such work, whether for gain to such child or any other per-
3 son, for a longer period than eight hours in any one day,
4 except a member of the immediate family of a person who
5 was the legal owner of not less than 40 per centum of the
6 crop at the time such work was performed. The Secretary
7 is authorized to make payments, notwithstanding a failure
8 to comply with the conditions provided in this subsection,
9 but the payments made with respect to any crop shall be
10 subject to a deduction of \$10 for each child for each day,
11 or a portion of a day, during which such child was employed
12 or permitted to work contrary to the foregoing provisions
13 of this subsection.

14 (b) That there shall not have been marketed (or
15 processed) an amount (in terms of planted acreage, weight,
16 or recoverable sugar content) of sugar beets or sugarcane
17 grown on the farm and used for the production of sugar or
18 liquid sugar to be marketed in, or so as to compete with or
19 otherwise directly affect interstate or foreign commerce, in
20 excess of the proportionate share for the farm, as determined
21 by the Secretary pursuant to the provisions of section 302,
22 of the total quantity of sugar beets or sugarcane required to
23 be processed to enable the area in which such sugar beets
24 or sugarcane are produced to meet the quota (and provide a
25 normal carry-over inventory) as estimated by the Secretary

1 for such area for the calendar year during which the larger
2 part of the sugar or liquid sugar from such crop normally
3 would be marketed.

4 SEC. 302. (a) The amount of sugar or liquid sugar
5 with respect to which payment may be made shall be the
6 amount of sugar or liquid sugar commercially recoverable,
7 as determined by the Secretary, from the sugar beets or
8 sugarcane grown on the farm and marketed (or processed by
9 the producer) not in excess of the proportionate share for the
10 farm, as determined by the Secretary, of the quantity of
11 sugar beets or sugarcane for the extraction of sugar or liquid
12 sugar required to be processed to enable the producing area
13 in which the crop of sugar beets or sugarcane is grown to
14 meet the quota (and provide a normal carry-over inventory)
15 estimated by the Secretary for such area for the calendar year
16 during which the larger part of the sugar or liquid sugar from
17 such crop normally would be marketed.

18 (b) In determining the proportionate shares with re-
19 spect to a farm, the Secretary may take into consideration
20 the past production on the farm of sugar beets and sugarcane
21 marketed (or processed) for the extraction of sugar or liquid
22 sugar and the ability to produce such sugar beets or sugar-
23 cane, and the Secretary shall, insofar as practicable, protect
24 the interests of new producers and small producers and the

1 interests of producers who are cash tenants, share tenants,
2 adherent planters, or share croppers.

3 (c) Payments shall be effective with respect to sugar
4 or liquid sugar commercially recoverable from sugar beets
5 and sugarcane grown on a farm commencing with the crop
6 year 1948.

7 SEC. 303. In addition to the amount of sugar or liquid
8 sugar with respect to which payments are authorized under
9 subsection (a) of section 302, the Secretary is also author-
10 ized to make payments, on the conditions provided in section
11 301, with respect to bona fide abandonment of planted acre-
12 age and crop deficiencies of harvested acreage, resulting from
13 drought, flood, storm, freeze, disease, or insects, which cause
14 such damage to all or a substantial part of the crop of sugar
15 beets or sugarcane in the same factory district (as established
16 by the Secretary), county, parish, municipality, or local pro-
17 ducing area, as determined in accordance with regulations
18 issued by the Secretary, on the following quantities of sugar
19 or liquid sugar: (1) With respect to such bona fide abandon-
20 ment of each planted acre of sugar beets or sugarcane, one-
21 third of the normal yield of commercially recoverable sugar
22 or liquid sugar per acre for the farm, as determined by the
23 Secretary; and (2) with respect to such crop deficiencies of
24 harvested acreage of sugar beets or sugarcane, the excess of

1 80 per centum of the normal yield of commercially recover-
 2 able sugar or liquid sugar for such acreage for the farm, as
 3 determined by the Secretary, over the actual yield.

4 SEC. 304. (a) The amount of the base rate of payment
 5 shall be 80 cents per hundred pounds of sugar or liquid
 6 sugar, raw value.

7 (b) All payments shall be calculated with respect to
 8 a farm which, for the purposes of this Act, shall be a farm-
 9 ing unit as determined in accordance with regulations issued
 10 by the Secretary, and in making such determinations, the
 11 Secretary shall take into consideration the use of common
 12 work stock, equipment, labor, management, and other per-
 13 tinent factors.

14 (c) The total payment with respect to a farm shall be
 15 the product of the base rate specified in subsection (a) of
 16 this section multiplied by the amount of sugar and liquid
 17 sugar, raw value, with respect to which payment is to be
 18 made, except that reduction shall be made from such total
 19 payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following in- tervals of short tons, raw value	Reduction in the base rate of payment per hundred- weight of such portion
350 to 700_____	\$0. 05
700 to 1,000_____	. 10
1,000 to 1,500_____	. 20
1,500 to 3,000_____	. 25
3,000 to 6,000_____	. 275
6,000 to 12,000_____	. 30
12,000 to 30,000_____	. 325
More than 30,000_____	. 50

1 (d) Application for payment shall be made by, and
2 payments shall be made to, the producer or, in the event
3 of his death, disappearance, or incompetency, his legal
4 representative, or heirs: *Provided, however,* That all pro-
5 ducers on the farm shall signify in the application for pay-
6 ment the percentage of the total payment with respect to
7 the farm to be made to each producer: *And provided further,*
8 That payments may be made, (1) in the event of the
9 death, disappearance, or incompetency of a producer, to
10 such beneficiary as the producer may designate in the
11 application for payment; (2) to one producer of a group of
12 two or more producers, provided all producers on the farm
13 designate such producer in the application for payment as
14 sole recipient for their benefit of the payment with respect
15 to the farm; or (3) to a person who is not a producer, pro-
16 vided such person controls the land included within the
17 farm with respect to which the application for payment is
18 made and is designated by the sole producer (or all pro-
19 ducers) on the farm, as sole recipient for his or their benefit,
20 of the payment with respect to the farm.

21 SEC. 305. In carrying out the provisions of titles II
22 and III of this Act, the Secretary is authorized to utilize
23 local committees of sugar beet or sugarcane producers, State
24 and county agricultural conservation committees, or the
25 Agricultural Extension Service and other agencies, and the

1 Secretary may prescribe that all or a part of the expenses of
2 such committees may be deducted from the payments herein
3 authorized.

4 SEC. 306. The facts constituting the basis for any pay-
5 ment, or the amount thereof authorized to be made under
6 this title, officially determined in conformity with rules or
7 regulations prescribed by the Secretary, shall be reviewable
8 only by the Secretary, and his determinations with respect
9 thereto shall be final and conclusive.

10 SEC. 307. This title shall apply to the continental United
11 States, the Territory of Hawaii, Puerto Rico, and the
12 Virgin Islands.

13 TITLE IV—GENERAL PROVISIONS

14 SEC. 401. For the purposes of this Act, the Secretary
15 may make such expenditures as he deems necessary to carry
16 out the provisions of this Act, including personal services
17 and rents in the District of Columbia and elsewhere.

18 SEC. 402. (a) There is hereby authorized to be appro-
19 priated for each fiscal year for the purposes and administra-
20 tion of this Act the funds necessary to make the payments
21 provided for in title III of this Act and such other amounts
22 as the Congress determines to be necessary for such fiscal
23 year to carry out the other provisions of the Act.

24 (b) All funds available for carrying out this Act shall
25 be available for allotment to the bureaus and offices of the

1 Department of Agriculture and for transfer to such other
2 agencies of the Federal Government as the Secretary may
3 request to cooperate or assist in carrying out the provisions
4 of this Act.

5 (c) The funds made available for the purpose of
6 enabling the Secretary to carry into effect the provisions
7 of the Sugar Act of 1937, as amended, during the fiscal
8 year 1948 are also hereby made available to the Secretary
9 for purposes of administration of the provisions of this Act
10 during the fiscal year 1948.

11 SEC. 403. (a) The Secretary is authorized to make such
12 orders or regulations, which shall have the force and effect
13 of law, as may be necessary to carry out the powers vested
14 in him by this Act. Any person knowingly violating any
15 order or regulation of the Secretary issued pursuant to this
16 Act shall, upon conviction, be punished by a fine of not more
17 than \$100 for each such violation.

18 (b) Each determination issued by the Secretary in con-
19 nection with quotas and deficits under title II or payments
20 under title III of this Act shall be promptly published in the
21 Federal Register and shall be accompanied by a statement
22 of the bases and considerations upon which such determina-
23 tion was made.

24 SEC. 404. The several district courts of the United
25 States are hereby vested with jurisdiction specifically to en-

1 force, and to prevent and restrain any person from violating,
2 the provisions of this Act or of any order or regulation made
3 or issued pursuant to this Act. If and when the Secretary
4 shall so request, it shall be the duty of the several district
5 attorneys of the United States, in their respective districts,
6 to institute proceedings to enforce the remedies and to collect
7 the penalties and forfeitures provided for in this Act. The
8 remedies provided for in this Act shall be in addition to, and
9 not exclusive of, any of the remedies or penalties existing at
10 law or in equity.

11 SEC. 405. Any person who knowingly violates, or at-
12 tempts to violate, or who knowingly participates or aids
13 in the violation of, any of the provisions of section 209, or
14 any person who brings or imports into the continental United
15 States direct-consumption sugar after the quantities specified
16 in section 207 have been filled, shall forfeit to the United
17 States the sum equal to three times the market value, at
18 the time of the commission of any such act, (a) of that
19 quantity of sugar or liquid sugar by which any quota, pro-
20 ration, or allotment is exceeded, or (b) of that quantity
21 brought or imported into the continental United States after
22 the quantities specified in section 207 have been filled, which
23 forfeiture shall be recoverable in a civil suit brought in the
24 name of the United States.

25 SEC. 406. All persons engaged in the manufacturing,

1 marketing, or transportation or industrial use of sugar or
2 liquid sugar, and having information which the Secretary
3 deems necessary to enable him to administer the provisions
4 of this Act, shall, upon the request of the Secretary, fur-
5 nish him with such information. Any person willfully fail-
6 ing or refusing to furnish such information or furnishing
7 willfully any false information, shall upon conviction be
8 subject to a penalty of not more than \$1,000 for each such
9 violation.

10 SEC. 407. No person shall, while acting in any official
11 capacity in the administration of this Act, invest or speculate
12 in sugar or liquid sugar, contracts relating thereto, or the
13 stock or membership interests of any association or corpora-
14 tion engaged in the production or manufacturing of sugar
15 or liquid sugar. Any person violating this section shall
16 upon conviction thereof be fined not more than \$10,000 or
17 imprisoned not more than two years, or both.

18 SEC. 408. Whenever pursuant to the provisions of this
19 Act the President finds and proclaims that a national eco-
20 nomic or other emergency exists with respect to sugar or
21 liquid sugar, he shall by proclamation suspend the operation,
22 except as provided in section 207 of this Act, of all the pro-
23 visions of title II above, and, thereafter, the operation of such
24 title shall continue in suspense until the President finds and
25 proclaims that the facts which occasioned such suspension no

1 longer exist. The Secretary shall make such investigations
2 and reports thereon to the President as may be necessary to
3 aid him in carrying out the provisions of this section.

4 SEC. 409. Whenever the Secretary determines that such
5 action is necessary to effectuate the purposes of this Act, he
6 is authorized, if first requested by individuals or associations
7 constituting or representing a substantial proportion of the
8 persons affected in any one of the five domestic sugar-produc-
9 ing areas, to make for such area surveys and investigations to
10 the extent he deems necessary, including the holding of public
11 hearings, and to make recommendations with respect to (a)
12 the terms and conditions of contracts between the producers
13 and processors of sugar beets and sugarcane in such area and
14 (b) the terms and conditions of contracts between laborers
15 and producers of sugar beets and sugarcane in such area. In
16 carrying out the provisions of this section, information shall
17 not be made public with respect to the individual operations
18 of any processor, producer, or laborer.

19 SEC. 410. The Secretary is authorized to conduct sur-
20 veys, investigations, and research relating to the conditions
21 and factors affecting the methods of accomplishing most
22 effectively the purposes of this Act and for the benefit of
23 agriculture generally in any area. Notwithstanding any
24 provision of existing law, the Secretary is authorized to make

1 public such information as he deems necessary to carry out
2 the provisions of this Act.

3 SEC. 411. The powers vested in the Secretary under
4 this Act shall terminate on December 31, 1952, except
5 that the Secretary shall have power to make payments under
6 title III under programs applicable to the crop year 1952 and
7 previous crop years.

8 SEC. 412. The provisions of this Act, except where an
9 earlier effective date is provided for herein, shall become
10 effective January 1, 1948. As provided in section 513 of
11 the Sugar Act of 1937, the powers vested in the Secretary
12 under that Act shall terminate on December 31, 1947, except
13 that the Secretary shall have power to make payments under
14 title III of that Act under programs thereunder applicable
15 to the crop year 1947 and previous crop years.

16 TITLE V—AMENDMENTS TO THE INTERNAL
17 REVENUE CODE

18 SEC. 501. (a) Subsection (b) of section 3507 of the
19 Internal Revenue Code (relating to the definition of “manu-
20 factured sugar”) is amended by inserting in the parenthesis
21 after the word “added” therein the following: “or developed
22 in the product”.

23 (b) Section 3508 of the Internal Revenue Code (relat-
24 ing to termination of taxes) is amended to read as follows:

1 **"SEC. 3508. TERMINATION OF TAXES.**

2 "No tax shall be imposed under this chapter on the
3 manufacture, use, or importation of sugar or articles com-
4 posed in chief value of sugar after June 30, 1953. Not-
5 withstanding the provisions of section 3490 or 3500, no tax
6 shall be imposed under this chapter with respect to unsold
7 sugar held by a manufacturer on June 30, 1953, or with
8 respect to sugar or articles composed in chief value of sugar
9 held in customs custody or control on such date.

10 With respect to any sugar or articles composed in chief
11 value of sugar upon which tax imposed under section 3500
12 has been paid and which, on June 30, 1953, are held by the
13 importer and intended for sale or other disposition, there
14 shall be refunded (without interest) to such importer, sub-
15 ject to such regulations as may be prescribed by the Com-
16 missioner of Customs with the approval of the Secretary, an
17 amount equal to the tax paid with respect to such sugar
18 or articles composed in chief value of sugar."

19 (c) The amendments to the Internal Revenue Code
20 provided for in this section shall become effective upon the
21 first day of the second month following the date of the enact-
22 ment of this Act.

A BILL

To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

By Mr. HOPE

JULY 2, 1947

Referred to the Committee on Agriculture

JULY 3, 1947

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Navy. Any effort to take them from under the jurisdiction of the Navy Department and put them under some other department at the present time would be merely starting their local economy on the road to the poorhouse.

Mr. Speaker, it seems to me that, as we discuss these matters of the independence of the United States and of our efforts to be of help to all other nations of the world, it is about time we should give a little thought and do a little something in the way of allowing local civil government and human rights to the people who are under our own domination. It is nice to help everyone else but it would be nice also to take care of our own people, among whom the people of Guam deserve an honored place.

The SPEAKER pro tempore. The time of the gentleman from California [Mr. BRADLEY] has expired.

ATOMIC BOMB

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I have listened with a great deal of interest to the discussion today, and my remarks have no reference to the remarks of any particular individual.

A year ago today I was serving on the President's Atomic Bomb Evaluation Committee in the Bikini Lagoon, in the South Pacific. We had just witnessed the first controlled experimental dropping of an atomic bomb. Slightly less than a year previous to that, August 9-12, 1945, the two first atomic bombs used in warfare had been dropped upon the Japanese industrial cities of Hiroshima and Nagasaki. A year ago, shortly after today, I visited those two cities in Japan. I saw with my own eyes a city of a hundred thousand, approximately the size of the city of Long Beach, Calif., where the gentleman who has just spoken comes from, completely wiped out by one bomb dropped from a B-29. Eighty thousand people lost their lives when that bomb exploded, and the city was destroyed.

I went next to the city of Nagasaki and saw a like terrible illustration of this new and terrible power which had been discovered by man.

The horror of the atomic bomb is lost in the failure of our citizens to realize its terrible destructiveness. If the people throughout the world really understood the potential threat to their very existence, they would force cooperation upon their leaders.

The summer previous, a few days after the war ended in Europe, I had the opportunity of visiting the cities in Germany such as Frankfurt, Hamburg, and others. I saw those cities in their destroyed condition, and they remain that way today. I realized the tremendous effort in terms of manpower, money, equipment, and life which was utilized in the destruction of the cities of Europe, and which is the cause of the terrible devastation in that country not only in

the physical sense but also in the moral and in the political sense; and I thought of the great fleets of 700 bombers that went out from England—and I was there and saw some of them go out in 1944. Conditions have changed since VE-day and it is not necessary to send out 700 bombers at a time, it is necessary to penetrate with only one bomber with one atomic bomb, and drop it on a city the size of Frankfurt and create the destruction that had been created by hundreds and hundreds of B-29's.

Shortly after that I flew from the city of Bethlehem in Palestine, the Tel Aviv Airport, a distance of 8,000 miles back to San Francisco in 36 flying hours by a plane that was slow, a C-54—slow in comparison to what we have today. It is possible today to fly from Washington to San Francisco, a distance of 3,000 miles in some 7 hours by high-speed bomber with an atomic bomb.

I am bringing up these facts for the one purpose of illustrating that we live in a different world today than we have ever lived in before. We live in a world where the concern of conditions in Europe is as vital to us in this country as the concern of conditions in New York was to the people of Virginia in Revolutionary days. It takes less time to go from here to Moscow or Berlin by air than it took to go from New York to Washington by horse in Revolutionary times.

I am at the present time a member of the Joint Committee on Atomic Energy of the House and the Senate. Most of our hearings are behind closed doors. I think we members of that committee are afraid to talk on that subject today, afraid that we might inadvertently say something which we should not say; but I say in all sincerity that unless there is control of atomic energy the world that we know will go up in flames—and within a few years. Unless that control is effectuated through international control there will be no control. I stand 100 percent behind the Baruch proposal. When I picked up the paper this morning and saw that the Prime Minister's Conference had failed, a shudder went through my body because I realized that one more step had been taken toward what seemed inevitable atomic war.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. McDONOUGH. The gentleman referred to the question of the international control of atomic energy and the fact that he is a member of the Joint Committee of the House and Senate on Atomic Energy. Does the gentleman have any fear of international control of atomic energy insofar as the moral integrity and intellectual honesty of the international relationships of the United

States with any other nation in the world are concerned? And if he has any such fear what nation in the world does he have the most fear of on account of lack of control of atomic energy?

Mr. HOLIFIELD. I will be glad to give my friend an answer on that which I hope will be frank.

I feel that international control is necessary, as I said. I believe it has to come through an international organization. I know the difficulties are great, but I know that that control must be established.

Mr. Speaker, I am going to say something which I have never said before in public and it is along the line of what the gentleman from Illinois [Mr. DIRKSEN] said today. I have been one of those who has thought it possible to obtain international agreement. I have not concluded yet that it is not entirely possible. But when I see things happen like the failure of the ministers' conference in Paris, because of the action of the Russian representative, a chill of fear grips my heart, because I believe that the policy of noncooperation which has been evidenced by the refusal of Russia to participate in all the different auxiliary organizations of the United Nations and to cooperate with the Atomic Energy Commission of the United Nations represents a real danger to world peace. When I see a continuance of that policy of noncooperation I realize that we are crystallizing into a condition of separation which, in my opinion, will inevitably lead to atomic war.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. McDONOUGH. I do not want to press the gentleman for an answer, but does he have any doubt of the moral integrity and intellectual honesty of those representing the United States in any international agreement in reference to atomic energy control? Does he have any doubt of the moral integrity and intellectual honesty of our representatives in establishing international control of atomic energy?

Mr. HOLIFIELD. Speaking of Mr. Baruch?

Mr. McDONOUGH. Our representatives.

Mr. HOLIFIELD. No. I have perfect confidence in the sincerity of the United States Representatives in the United Nations.

Mr. McDONOUGH. Does the gentleman have any doubt about the moral integrity and intellectual honesty of those representing Russia, or Russia itself, in establishing international control of atomic energy?

Mr. HOLIFIELD. I have very grave doubts about them. I have arrived at that point reluctantly, hoping that cooperative solution could be reached between Russia's representatives and ours.

Mr. McDONOUGH. I am glad to have that answer.

Mr. HOLIFIELD. I say that unless international accord is reached, there will be atomic war between nations and if atomic war comes it means the end of civilization.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

THE LATE GARRETT WHITESIDE

Mr. HAYS. Mr. Speaker, last evening a much beloved citizen of my State and for 40 years a secretary to Members of Congress died in the city of Washington. I refer to Garrett Whiteside, who came to the Capitol as a young man to serve as secretary to the late Ben Cravens, of Arkansas. Of the present membership, only the gentleman from Illinois [Mr. SABATH] was a Member of the House when Garrett Whiteside arrived. He served in later years as secretary to Hon. T. H. Caraway and Hon. Hattie Caraway, Members of the United States Senate. From 1945 to 1947 he was a member of the staff of the Secretary of the Senate. He was widely known for his long and faithful service here and for his writings on Washington life. His column, which appeared in leading newspapers in Arkansas, was a popular feature and provoked a familiar opening for a conversation, "Garrett Whiteside says." He numbered his friends by the thousands and in spite of his long participation in public affairs had scarcely an enemy.

He enjoyed and cultivated his friendships, not to profit by them, but because he loved people and wanted to help them. He was one of the friendliest and one of the most industrious secretaries who ever served on Capitol Hill.

He was an exceptional husband and father, and exemplified the finest qualities in our American family life. He was an ardent churchman and a worker in many good causes. His life was an unselfish one. He will be missed by thousands of friends who loved him and appreciated his contribution to our official life.

(Mr. HAYS asked and was given permission to revise and extend his remarks.)

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. COLE of Missouri (at the request of Mr. HALLECK) indefinitely, on account of illness.

EXTENSION OF REMARKS

Mr. BRADLEY asked and was given permission to revise and extend the remarks he previously made today.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4031. An act making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on July 2, 1947, present to the President, for his approval, a bill of the House of the following title:

H. R. 2700. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1948, and for other purposes.

ADJOURNMENT

Mr. LOVE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until Monday, July 7, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

886. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 17, 1947, submitting a report, together with accompanying papers and illustrations, on a review of reports on Westcott Cove, Conn., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on October 19, 1945 (H. Doc. No. 379); to the Committee on Public Works and ordered to be printed, with two illustrations.

887. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 17, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of channel from Kent Island Narrows to Wells Cove, Chester River, Md., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 380); to the Committee on Public Works and ordered to be printed, with an illustration.

888. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 18, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Cambridge Harbor, Md., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 381); to the Committee on Public Works and ordered to be printed, with an illustration.

889. A letter from the Secretary of War, transmitting a draft of a proposed bill to equalize retirement benefits among members of the Nurse Corps of the Army and the Navy, and for other purposes; to the Committee on Armed Services.

890. A letter from the Secretary of State, transmitting a draft of a proposed bill to provide for payment of compensation to the governments of foreign countries for losses and damages inflicted on neutral territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 270. Resolution providing

for the consideration of H. R. 1639, a bill to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act; without amendment (Rept. No. 788). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 271. Resolution providing for the consideration of Concurrent Resolution 54, concurrent resolution to provide for the use of Schick General Hospital at Clinton, Iowa, for the Veterans' Administration; without amendment (Rept. No. 789). Referred to the House Calendar.

Mr. BURKE: Committee on Merchant Marine and Fisheries. H. R. 3043. A bill to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes; with amendments (Rept. No. 790). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 4055. A bill to provide increases in the rates of pension payable to veterans of Indian wars and the dependents of such veterans; without amendment (Rept. No. 794). Referred to the Committee of the Whole House on the State of the Union.

Mr. KNUTSON: Committee on Ways and Means. H. R. 3950. A bill to reduce individual income tax payments; without amendment (Rept. No. 795). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 4075. A bill to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; without amendment (Rept. No. 796). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. S. 1360. An act for the relief of Eric Seddon; without amendment (Rept. No. 791). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2350. A bill for the relief of Mrs. Daisy Park Farrow; without amendment (Rept. No. 792). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 1931. A bill for the relief of the alien, Michael Seldo; without amendment (Rept. No. 793). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 4083. A bill authorizing the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate a toll bridge or tunnel or combined bridge and tunnel across or under the Chesapeake Bay, in the State of Maryland, from a point in Anne Arundel County at or near Sandy Point to a point approximately opposite on

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Division of Legislative Reports

(For Department staff only)

Issued

July 8, 1947

For actions of

July 7, 1947

80th-1st, No. 128

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HIGHLIGHTS: House Rules Committee cleared sugar bill. President approved bill to create Commission on Organization of Executive Branch; Senate appointments made to Commission. House passed bill to facilitate authorization for USDA flood-control surveys. Rep. Ellis criticized potato destruction and farm-machinery exports.

HOUSE

1. SUGAR. The Rules Committee reported a resolution for consideration of, and waiving points of order on, H. R. 4075, the sugar bill (p. 8561). The bill is to be debated Thurs.

This bill provides as follows: Reenacts the Sugar Act of 1937 with changes; extends the termination date from Dec. 31, 1947, to Dec. 31, 1952, and extends the sugar tax to July 1, 1953. Changes the method of estimating each year the quantity of sugar needed to meet consumer requirements in continental U. S. Establishes quotas for domestic areas in specific amounts and, after apportionment of a quota of 952,000 short tons to the Philippines, apportions the remainder of the consumption estimate to foreign countries. Guarantees Cuba a minimum quota, after reallocation of deficits, equivalent to the share provided for Cuba in the Act. Authorizes the Secretary to withhold or withdraw any quota increase for any foreign country over that provided for such country under the Act if such country denies fair and equitable treatment to U. S. nationals and business. Provides for allocation of any Philippine deficit to Cuba (95%) and full-duty countries. Provides that, if the Cuban quota after reallocation of deficits falls below 28.6%, except for the provisions mentioned above, the proportion to full-duty countries would be 1.36% instead of 5% and that the Cuban quota be increased accordingly. Requires establishment of quotas for the calendar year 1948 within the first 10 days of that year. Provides that the direct consumption portion of the quotas shall not be subject to suspension unless the President finds that emergency exists. Deletes certain conditions for sugar payments regarding fair wages, soil-conservation requirements, and fair prices.

(OVER)

Provides for a refund on inventories of manufactured sugar on hand at the time of tax termination. Also contains a number of technical and clarifying amendments to the Sugar Act.

2. WAR POWERS. Reps. Michener, Springer, and Cravens were appointed conferees on H. R. 3647, to continue certain export-control, allocation, and priorities powers (p. 8497). Senate conferees were appointed July 3. For House and Senate versions, see Digest 123.
3. TAXATION. The Rules Committee reported a resolution for consideration of H. R. 3950, the tax-reduction bill, which is the same as the vetoed bill except that the effective date is changed to Jan. 1, 1948 (p. 8497).
4. PROPERTY PROTECTION. Passed without amendment H. R. 3219, which authorizes FWA to appoint special policemen for duty on Federal property under FWA jurisdiction and, upon application of a department or agency, to protect buildings and other property under such department or agency (p. 8500).
5. FLOOD CONTROL. Passed without amendment H. R. 3146, to authorize this Department to make flood-control examinations and surveys of watersheds concerning which the War Department is authorized to make such surveys regarding waterways, and to authorize this Department to make supplemental flood control reports when requested by either Public Works Committee (p. 8500).
6. CIVIL-SERVICE RETIREMENT. Passed as reported H. R. 1995, to provide for the return of the amount of deductions from the pay of any employee who is separated from Government service or transferred to a position not within the purview of the Retirement Act before completing 10 years of service (pp. 8502-3).
7. ACCOUNTING. Passed without amendment S. 1316, which provides for establishment of a special deposit account or accounts with the U. S. Treasurer to facilitate payments of Government checks no longer immediately negotiable because of age, and amends Sec. 21 of the Permanent Appropriation Repeal Act of 1934 to provide for payment of these checks for 10 years after date of issue in lieu of settlement of GAO from outstanding liabilities (p. 8503). This bill will now be sent to the President.
8. ASSISTANT SECRETARY OF COMMERCE. Passed without amendment S. 1421, to provide for an additional Assistant Secretary of Commerce (p. 8505). This bill will now be sent to the President.
9. SYNTHETIC FUEL. After discussion, passed over H. R. 2161, which authorizes an increase of \$30,000,000 in appropriations and extends the time of operation for 3 years of demonstration plants to produce synthetic liquid fuels from agricultural and forestry products, etc. (pp. 8513-4).
10. FOREST. Passed as reported H. R. 3395, to add certain lands to the Modoc National Forest, Calif. (pp. 8516-7).
11. SUBMARGINAL LANDS. Passed as reported H. R. 3153, to provide for sale of certain submarginal lands in Indian reservations in Mont., N. Dak., and S. Dak., with provisions for certain SCS assistance (pp. 8517-8).
12. COMMUNICATIONS. Passed without amendment S. 816, which repeals the mandatory special rate for Government telegrams and authorizes FCC to prescribe charges, classifications, regulations, etc., for Government telegrams (p. 8519). This

80TH CONGRESS } <i>1st Session</i>	HOUSE OF REPRESENTATIVES }	REPORT No. 798
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CONSIDERATION OF H. R. 4075

JULY 7, 1947.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 273]

The Committee on Rules, having had under consideration House Resolution 273, report the same to the House with the recommendation that the resolution do pass.



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6

House Calendar No. 124

80TH CONGRESS
1ST SESSION

H. RES. 273

[Report No. 798]

IN THE HOUSE OF REPRESENTATIVES

JULY 7, 1947

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That immediately upon the adoption of this
2 resolution it shall be in order to move that the House
3 resolve itself into the Committee of the Whole House on
4 the State of the Union for the consideration of the bill
5 (H. R. 4075) to regulate commerce among the several
6 States, with the Territories and possessions of the United
7 States, and with foreign countries; to protect the welfare
8 of consumers of sugars and of those engaged in the domestic
9 sugar-producing industry; to promote the export trade of
10 the United States; and for other purposes, and all points
11 of order against said bill are hereby waived. That after
12 general debate, which shall be confined to the bill and

1 continue not to exceed two hours, to be equally divided and
2 controlled by the chairman and ranking minority member
3 of the Committee on Agriculture, the bill shall be read
4 for amendment under the five-minute rule. At the con-
5 clusion of the consideration of the bill for amendment, the
6 Committee shall rise and report the bill to the House with
7 such amendments as may have been adopted and the
8 previous question shall be considered as ordered on the bill
9 and amendments thereto to final passage without interven-
10 ing motion except one motion to recommit.

RESOLUTION

Providing for the consideration of the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

By Mr. ALLEN of Illinois

JULY 7, 1947

Referred to the House Calendar and ordered to be
printed

spect to abandonment of condemnation proceedings;

H. R. 3251. An act to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as to authorize naval retiring boards to consider the cases of certain officers, and for other purposes;

H. R. 3311. An act making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes;

H. R. 3515. An act to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance and to provide a penalty therefor; and

H. R. 3517. An act to authorize funds for ceremonies in the District of Columbia.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Tuesday, July 8, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

891. A letter from the Comptroller General of the United States, transmitting Supplement 1 to Reference Manual of Government Corporations; to the Committee on Expenditures in the Executive Departments.

892. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a proposed bill for the relief of Louis L. Williams, Jr.; to the Committee on the Judiciary.

893. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of \$181,000 for the Federal Security Agency (H. Doc. No. 383); to the Committee on Appropriations and ordered to be printed.

894. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an existing authorization for expenditure of funds of the United States Spruce Production Corporation (H. Doc. No. 384); to the Committee on Appropriations and ordered to be printed.

895. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of \$50,000 for the American Battle Monuments Commission (H. Doc. No. 385); to the Committee on Appropriations and ordered to be printed.

896. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1948 in the amount of \$2,650,000 for the Federal Mediation and Conciliation Service (H. Doc. No. 386); to the Committee on Appropriations and ordered to be printed.

897. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of \$4,025,300 for the National Labor Relations Board (H. Doc. No. 387); to the Committee on Appropriations and ordered to be printed.

898. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of \$599,000 for the Department of Commerce (H. Doc. No.

288); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 272. Resolution providing for the consideration of H. R. 3950, a bill to reduce individual income-tax payments; without amendment (Rept. No. 797). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 273. Resolution providing for the consideration of H. R. 4075, a bill to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; without amendment (Rept. No. 798). Referred to the House Calendar.

Mr. SPRINGER: Committee on the Judiciary. Senate Joint Resolution 123. Joint resolution to terminate certain emergency and war powers; with amendments (Rept. No. 799). Referred to the Committee of the Whole House on the State of the Union.

Mr. CARSON: Committee on Interstate and Foreign Commerce. H. R. 4051. A bill to amend the Natural Gas Act, approved June 21, 1938, as amended; with an amendment (Rept. No. 800). Referred to the Committee of the Whole House on the State of the Union.

Mr. KNUTSON: Committee on Ways and Means. H. R. 4069. A bill to terminate certain tax provisions before the end of World War II; without amendment (Rept. No. 802). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 4090. A bill to equalize retirement benefits among members of the Nurse Corps of the Army and the Navy, and for other purposes; to the Committee on Armed Services.

By Mr. FARRINGTON:

H. R. 4091. A bill to ratify Act 237 of the Session Laws of Hawaii, 1947; to the Committee on Public Lands.

By Mr. BENNETT of Missouri:

H. R. 4092. A bill to promote the safety and health of employees engaged in baggage, mail, or express-train service in interstate commerce by requiring common carriers by railroad and any express company to install and maintain all such cars and equipment used or furnished by them for such purposes in safe and suitable conditions for use in the service for which they are put; to the Committee on Interstate and Foreign Commerce.

By Mr. GARY:

H. R. 4093. A bill to reduce individual income tax payments; to the Committee on Ways and Means.

By Mr. LYNCH:

H. R. 4094. A bill to forbid the interstate transportation of fireworks in certain cases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BLAND:

H. R. 4095. A bill to authorize a bridge, roads and approaches, supports and bents, or

other structures across, over, or upon lands of the United States within the limits of the Colonial National Historical Park at or near Yorktown, Va.; to the Committee on Public Works.

By Mr. ENGLE of California:

H. R. 4096. A bill to direct the Secretary of War to prepare an honor roll of the names of United States citizens who died while serving in the Royal Air Force or the Flying Tigers during World War II; to the Committee on Armed Services.

By Mr. FLETCHER:

H. R. 4097. A bill to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 4098. A bill to incorporate the American Division, Inc., World War II Veterans Association; to the Committee on the Judiciary.

By Mr. PRIEST:

H. R. 4099. A bill to amend the Natural Gas Act approved June 21, 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. SABATH:

H. R. 4100. A bill to modify the requirements relating to lifesaving appliances on passenger vessels navigating the Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mrs. SMITH of Maine:

H. R. 4101. A bill to authorize lump-sum payments to Air Corps Reserve officers who are selected for commission in the Regular Army; to the Committee on Armed Services.

By Mr. WOLVERTON:

H. R. 4102. A bill to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. POULSON:

H. J. Res. 227. Joint resolution to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

By Mr. BREHM:

H. J. Res. 228. Joint resolution to amend section 304 of the Labor-Management Relations Act; to the Committee on House Administration.

By Mr. LANDIS:

H. J. Res. 229. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GEARHART:

H. J. Res. 230. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to nondeductible income of recipients of old-age aid; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California memorializing the President and the Congress of the United States to enact legislation adequate to stamp out and abolish the evil of lynching; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 4103. A bill for the relief of Charles M. Davis; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 4104. A bill for the relief of Mrs. Mark Shee Chu; to the Committee on the Judiciary.

By Mr. OWENS:

H. R. 4105. A bill for the relief of Wpan Jan Loperny; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

724. By Mr. COTTON: Memorial of the Legislature of the State of New Hampshire, memorializing the Congress of the United States to extend the tax savings appertaining to the community-property system to all States of the Union; to the Committee on Ways and Means.

725. By Mr. LANE: Petition of the Board of Alderman, Chelsea, Mass., urging immediate passage of the Taft-Ellender-Wagner housing bill; to the Committee on Banking and Currency.

726. By the SPEAKER: Petition of Missouri River States Committee, petitioning consideration of their resolution with reference to flood control in the Missouri River Basin; to the Committee on Appropriations.

727. Also, petition of the International Telecommunications Conferences, petitioning consideration of their resolution with reference to reaffirming warm friendship for the United States of America; to the Committee on Foreign Affairs.

728. Also, petition of various citizens of the Sixth Congressional District, State of Washington, petitioning consideration of their resolution with reference to endorsement of H. R. 2716; to the Committee on Veterans' Affairs.

SUGAR ACT OF 1948

JULY 8, 1947.—Ordered to be printed

Mr. HOPE, from the Committee on Agriculture, submitted the following

SUPPLEMENTAL REPORT

[To accompany H. R. 4075]

The Committee on Agriculture, to whom was referred the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes, submits the following supplemental report amending Report No. 796 heretofore filed to accompany H. R. 4075.

Report No. 796 is amended by striking the subdivision entitled "Title V.—Amendments to the Internal Revenue Code" in its entirety which appears on page 21 of the report and substituting in lieu thereof the following:

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE¹

CHAPTER 32—SUGAR

SEC. 3507. DEFINITIONS.

(b) MANUFACTURED SUGAR.—The term "manufactured sugar" means any sugar derived from sugar beets or sugarcane, which is not to be, and which shall not be, further refined or otherwise improved in quality; except sugar in liquid form which contains nonsugar solids (excluding any foreign substance that may have been added or developed in the product) equal to more than 6 per centum of the total soluble solids, and except also sirup of cane juice produced from sugarcane grown in continental United States.

The grades or types of sugar within the meaning of this definition shall include, but shall not be limited to, granulated sugar, lump sugar, cube sugar, powdered sugar, sugar in the form of blocks, cones, or molded shapes, confectioners' sugar, washed sugar, centrifugal sugar, clarified sugar, turbinado sugar, plantation white sugar, muscovado sugar, refiners' soft sugar, invert sugar mush, raw sugar, sirups, molasses, and sugar mixtures.

¹ The provisions of sec. 501 (a) and (b) of the bill amending sections 3507 and 3508, respectively, of the Internal Revenue Code are to become effective under the provisions of sec. 501 (c) of the bill upon the first day of the second month following the date of the enactment of the Sugar Act of 1948.

SEC. 3508. TERMINATION OF TAXES.

No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar or articles composed in chief value of sugar after June 30, [1948] 1953. Notwithstanding the provisions of section 3490 or 3500, no tax shall be imposed under this chapter with respect to unsold sugar held by a manufacturer on June 30, 1953, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date.

With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 3500 has been paid and which, on June 30, 1953, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer, subject to such regulations as may be prescribed by the Commissioner of Customs with the approval of the Secretary, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar.



80TH CONGRESS
1ST SESSION

S. 1584

IN THE SENATE OF THE UNITED STATES

JULY 8 (legislative day, JULY 7), 1947

Mr. MILLIKIN (for himself, Mr. BAILL, Mr. BREWSTER, Mr. BUSHFIELD, Mr. BUTLER, Mr. CAIN, Mr. CORDON, Mr. DWORSHAK, Mr. ELLENDER, Mr. ECTON, Mr. FERGUSON, Mr. FLANDERS, Mr. GEORGE, Mr. GURNEY, Mr. HAYDEN, Mr. HOLLAND, Mr. JOHNSON of Colorado, Mr. MARTIN, Mr. MCFARLAND, Mr. MAGNUSON, Mr. MORSE, Mr. MURRAY, Mr. MALONE, Mr. OVERTON, Mr. O'MAHONEY, Mr. PEPPER, Mr. ROBERTSON of Wyoming, Mr. RUSSELL, Mr. TAYLOR, Mr. THYE, Mr. VANDENBERG, Mr. WHERRY, Mr. WATKINS, and Mr. YOUNG) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 *That this Act may be cited as the "Sugar Act of 1948".*

1 TITLE I—DEFINITIONS

2 SEC. 101. For the purposes of this Act, except title V—

3 (a) The term “person” means an individual, partner-
4 ship, corporation, or association.

5 (b) The term “sugars” means any grade or type of
6 saccharine product derived from sugarcane or sugar beets,
7 which contains sucrose, dextrose, or levulose.

8 (c) The term “sugar” means raw sugar or direct-con-
9 sumption sugar.

10 (d) The term “raw sugar” means any sugars which are
11 principally of crystalline structure and which are to be fur-
12 ther refined or improved in quality, and any sugars which
13 are principally not of crystalline structure, but which are to
14 be further refined or otherwise improved in quality to pro-
15 duce any sugars principally of crystalline structure.

16 (e) The term “direct-consumption sugar” means any
17 sugars which are principally of crystalline structure and
18 which are not to be further refined or otherwise improved
19 in quality.

20 (f) The term “liquid sugar” means any sugars (ex-
21 clusive of sirup of cane juice produced from sugarcane grown
22 in continental United States) which are principally not of
23 crystalline structure and which contain, or which are to
24 be used for the production of any sugars principally not
25 of crystalline structure which contain, soluble nonsugar solids

1 (excluding any foreign substances that may have been
2 added or developed in the product) equal to 6 per centum
3 or less of the total soluble solids.

4 (g) Sugars in dry amorphous form shall be considered
5 to be principally of crystalline structure.

6 (h) The "raw value" of any quantity of sugars means
7 its equivalent in terms of ordinary commercial raw sugar
8 testing ninety-six sugar degrees by the polariscope, deter-
9 mined in accordance with regulations to be issued by the
10 Secretary. The principal grades and types of sugar and
11 liquid sugar shall be translated into terms of raw value in
12 the following manner:

13 (1) For direct-consumption sugar, derived from sugar
14 beets and testing ninety-two or more sugar degrees by the
15 polariscope, by multiplying the number of pounds thereof
16 by 1.07;

17 (2) For sugar, derived from sugarcane and testing
18 ninety-two sugar degrees by the polariscope, by multiplying
19 the number of pounds thereof by 0.93;

20 (3) For sugar, derived from sugarcane and testing
21 more than ninety-two sugar degrees by the polariscope, by
22 multiplying the number of pounds thereof by the figure
23 obtained by adding to 0.93 the result of multiplying 0.0175
24 by the number of degrees and fractions of a degree of polar-
25 ization above ninety-two degrees;

1 (4) For sugar and liquid sugar, testing less than ninety-
2 two sugar degrees by the polariscope, by dividing the num-
3 ber of pounds of the "total sugar content" thereof by 0.972.

4 (5) The Secretary may establish rates for translating
5 sugar and liquid sugar into terms of raw value for (a) any
6 grade or type of sugar or liquid sugar not provided for in
7 the foregoing and (b) any special grade or type of sugar
8 or liquid sugar for which he determines that the raw value
9 cannot be measured adequately under the provisions of para-
10 graphs (1) to (4), inclusive, of this subsection (h).

11 (i) The term "total sugar content" means the sum of
12 the sucrose (Clerget) and reducing or invert sugars con-
13 tained in any grade or type of sugar or liquid sugar.

14 (j) The term "quota", depending upon the context,
15 means (1) that quantity of sugar or liquid sugar which may
16 be brought or imported into the continental United States,
17 for consumption therein, during any calendar year, from the
18 Territory of Hawaii, Puerto Rico, the Virgin Islands, or a
19 foreign country or group of foreign countries; (2) that quan-
20 tity of sugar or liquid sugar produced from sugar beets or
21 sugarcane grown in the continental United States which,
22 during any calendar year, may be shipped, transported, or
23 marketed in interstate commerce, or in competition with
24 sugar or liquid sugar shipped, transported, or marketed in
25 interstate or foreign commerce; or (3) that quantity of

1 sugar or liquid sugar which may be marketed in the Territory
2 of Hawaii or in Puerto Rico, for consumption therein, during
3 any calendar year.

4 (k) The term "producer" means a person who is the
5 legal owner, at the time of harvest or abandonment, of a por-
6 tion or all of a crop of sugar beets or sugarcane grown on a
7 farm for the extraction of sugar or liquid sugar.

8 (l) The terms "including" and "include" shall not
9 be deemed to exclude anything not mentioned but otherwise
10 within the meaning of the term defined.

11 (m) The term "Secretary" means the Secretary of
12 Agriculture.

13 TITLE II—QUOTA PROVISIONS

14 SEC. 201. The Secretary shall determine for each
15 calendar year, beginning with the calendar year 1948, the
16 amount of sugar needed to meet the requirements of con-
17 sumers in the continental United States; such determina-
18 tions shall be made during the month of December in each
19 year for the succeeding calendar year (in the case of the
20 calendar year 1948, during the first ten days thereof) and
21 at such other times during such calendar year as the Secre-
22 tary may deem necessary to meet such requirements. In
23 making such determinations the Secretary shall use as a
24 basis the quantity of direct-consumption sugar distributed
25 for consumption, as indicated by official statistics of the

1 Department of Agriculture, during the twelve-month period
2 ending October 31 next preceding the calendar year for
3 which the determination is being made, and shall make
4 allowances for a deficiency or surplus in inventories of
5 sugar, and for changes in consumption because of changes
6 in population and demand conditions, as computed from
7 statistics published by agencies of the Federal Government;
8 and, in order that such determinations shall be made so as
9 to protect the welfare of consumers and of those engaged
10 in the domestic sugar industry by providing such supply of
11 sugar as will be consumed at prices which will not be ex-
12 cessive to consumers and which will fairly and equitably
13 maintain and protect the welfare of the domestic sugar in-
14 dustry, the Secretary, in making any such determination,
15 in addition to the consumption, inventory, population, and
16 demand factors above specified and the level and trend of
17 consumer purchasing power, shall take into consideration
18 the relationship between the prices at wholesale for refined
19 sugar that would result from such determination and the
20 general cost of living in the United States as compared with
21 the relationship between prices at wholesale for refined
22 sugar and the general cost of living in the United States
23 obtaining during 1947 prior to the termination of price
24 control of sugar as indicated by the Consumers' Price Index

1 as published by the Bureau of Labor Statistics of the De-
2 partment of Labor.

3 SEC. 202. Whenever a determination is made, pursuant
4 to section 201, of the amount of sugar needed to meet the
5 requirements of consumers, the Secretary shall establish
6 quotas, or revise existing quotas—

7 (a) For domestic sugar-producing areas, by apportion-
8 ing among such areas 4,268,000 short tons, raw value, as
9 follows:

Area	Short tons, raw value
Domestic beet sugar-----	1, 800, 000
Mainland cane sugar-----	500, 000
Hawaii-----	1, 052, 000
Puerto Rico-----	910, 000
Virgin Islands-----	6, 000

10 (b) For the Republic of the Philippines, in the amount
11 of nine hundred and fifty-two thousand short tons of sugar as
12 specified in section 211 of the Philippine Trade Act of 1946.

13 (c) For foreign countries other than the Republic of
14 the Philippines, by prorating among such areas an amount
15 of sugar, raw value, equal to the amount determined pursuant
16 to section 201 less the sum of the quotas established pursuant
17 to subsections (a) and (b) of this section, on the following
18 basis:

Area	Per centum
Cuba-----	98. 64
Foreign countries other than Cuba and the Republic of the Philippines-----	1. 36

1 The quota for foreign countries other than Cuba and
2 the Republic of the Philippines shall be prorated among
3 such countries on the basis of the division of the quota for
4 such countries made in General Sugar Quota Regulations.
5 Series 4, Number 1, issued December 12, 1936, pursuant
6 to the Agricultural Adjustment Act, as amended.

7 (d) Notwithstanding the other provisions of this title
8 II, in the event the quota established for Cuba, including any
9 and all deficits allotted or prorated to Cuba pursuant to the
10 provisions of section 204 (a), shall be a smaller proportion
11 of the total amount of sugar which the Secretary determines
12 is needed to meet the requirements of consumers in the
13 continental United States pursuant to section 201 of this Act,
14 than the quota which would have been established for Cuba
15 upon such consumptive estimate under the provisions of
16 section 202 (b) of the Sugar Act of 1937, the quotas for
17 domestic sugar-producing areas established pursuant to the
18 other provisions of this title II shall be reduced pro rata
19 by such amounts as are required to establish such quota for
20 Cuba and the amounts by which such domestic sugar-pro-
21 ducing quotas are so reduced shall be added to the quota
22 for Cuba.

23 (e) If the Secretary of State finds that any foreign
24 country denies fair and equitable treatment to the nationals
25 of the United States, its commerce, navigation, or industry,

1 and so notifies the Secretary, the Secretary shall have au-
2 thority to withhold or withdraw any increase in the share
3 of the domestic consumption requirements provided for
4 such country by this Act as compared with the share
5 allowed under section 202 (b) of the Sugar Act of 1937:
6 *Provided*, That any amount of sugar so withheld or with-
7 drawn shall be prorated to domestic areas on the basis of
8 existing quotas for such areas and the Secretary shall revise
9 such quotas accordingly: *Provided further*, That any portion
10 of such amount of sugar which cannot be supplied by
11 domestic areas may be prorated to foreign countries other
12 than a country which the Secretary of State finds has denied
13 fair and equitable treatment to nationals of the United States.

14 SEC. 203. In accordance with such provisions of section
15 201 as he deems applicable, the Secretary shall also deter-
16 mine the amount of sugar needed to meet the requirements
17 of consumers in the Territory of Hawaii, and in Puerto Rico,
18 and shall establish quotas for the amounts of sugar which
19 may be marketed for local consumption in such areas equal
20 to the amounts determined to be needed to meet the require-
21 ments of consumers therein.

22 SEC. 204. (a) The Secretary shall, from time to time
23 during the calendar year, determine whether, in view of the
24 current inventories of sugar, the estimated production from

1 the acreage of sugarcane or sugar beets planted, the normal
 2 marketings within a calendar year of new-crop sugar, and
 3 other pertinent factors, any domestic area, the Republic of
 4 the Philippines, or Cuba, will be unable to market the quota
 5 for such area. If the Secretary finds that any domestic area
 6 or Cuba will be unable to market the quota for such area for
 7 the calendar year then current, he shall revise the quotas for
 8 the domestic areas and Cuba by prorating an amount of sugar
 9 equal to the deficit so determined to the other such areas on
 10 the basis of the quotas then in effect: *Provided, however,*
 11 That domestic areas shall not share in any deficit of any
 12 domestic area if the then outstanding determination of the
 13 Secretary made pursuant to section 201 of the Act is less
 14 than seven million short tons, raw value. If the Secretary
 15 finds that the Republic of the Philippines will be unable to
 16 market the quota for such area for the calendar year then
 17 current, he shall revise the quotas for Cuba and foreign
 18 countries other than Cuba and the Republic of the Philippines
 19 by prorating an amount of sugar equal to the deficit so
 20 determined, as follows:

To Cuba.....	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	5 per centum

21 *Provided, however,* That whenever the quota for Cuba estab-
 22 lished under the provisions of this Act other than section
 23 202 (d) is less than the amount required by the provisions

1 of section 202 (d) of this Act, such prorations shall be as
 2 follows:

To Cuba-----	98.64 per centum
To foreign countries other than Cuba and the Republic of the Philippines-----	1.36 per centum

3 Any portion of such Philippine deficit which the Secretary
 4 determines cannot be supplied by Cuba shall be prorated to
 5 foreign countries other than Cuba and the Republic of the
 6 Philippines. No part of any Philippine deficit so prorated
 7 may be filled by direct-consumption sugar.

8 (b) If, on the 1st day of September in any calendar
 9 year, any part or all of the proration to any foreign country
 10 of the quota for foreign countries other than Cuba and the
 11 Republic of the Philippines established under the provisions
 12 of section 202 (c) has not been filled, the Secretary may
 13 revise the proration of such quota among such foreign coun-
 14 tries by allotting an amount of sugar equal to such unfilled
 15 proration to such foreign countries as have filled their
 16 prorations of such quota by such date.

17 (c) The quota for any domestic area, the Republic of
 18 the Philippines, Cuba, or other foreign countries as estab-
 19 lished under the provisions of section 202 shall not be reduced
 20 by reason of any determination of a deficit existing in any
 21 calendar year under the provisions of subsections (a) and
 22 (b) of this section 204.

23 (d) Any proration among foreign countries other than

1 Cuba and the Republic of the Philippines pursuant to this
2 section shall be on such basis as the Secretary shall determine.

3 SEC. 205. (a) Whenever the Secretary finds that the
4 allotment of any quota, or proration thereof, established for
5 any area pursuant to the provisions of this Act, is necessary
6 to assure an orderly and adequate flow of sugar or liquid
7 sugar in the channels of interstate or foreign commerce, or
8 to prevent disorderly marketing or importation of sugar or
9 liquid sugar, or to maintain a continuous and stable supply
10 of sugar or liquid sugar, or to afford all interested persons
11 an equitable opportunity to market sugar or liquid sugar
12 within any area's quota, after such hearing and upon such
13 notice as he may by regulations prescribe, he shall make al-
14 lotments of such quota or proration thereof by allotting to
15 persons who market or import sugar or liquid sugar, for
16 such periods as he may designate, the quantities of sugar
17 or liquid sugar which each such person may market in
18 continental United States, the Territory of Hawaii, or Puerto
19 Rico, or may import or bring into continental United States,
20 for consumption therein. Allotments shall be made in such
21 manner and in such amounts as to provide a fair, efficient,
22 and equitable distribution of such quota or proration thereof,
23 by taking into consideration the processings of sugar or
24 liquid sugar from sugar beets or sugarcane to which propor-
25 tionate shares, determined pursuant to the provisions of

1 subsection (b) of section 302, pertained; the past market-
2 ings or importations of each such person; and the ability
3 of such person to market or import that portion of such
4 quota or proration thereof allotted to him. The Secretary
5 may also, upon such hearing and notice as he may by
6 regulations prescribe, revise or amend any such allotment
7 upon the same basis as the initial allotment was made.

8 (b) An appeal may be taken, in the manner here-
9 inafter provided, from any decision making such allotments,
10 or revisions thereof, to the United States Court of Appeals
11 for the District of Columbia in any of the following cases:

12 (1) By any applicant for an allotment whose applica-
13 tion shall have been denied.

14 (2) By any person aggrieved by reason of any decision
15 of the Secretary granting or revising any allotment made
16 to him.

17 (c) Such appeal shall be taken by filing with said court,
18 within twenty days after the decision complained of is effec-
19 tive, notice in writing of said appeal and a statement of the
20 reasons therefor, together with proof of service of a true copy
21 of said notice and statement upon the Secretary. Unless a
22 later date is specified by the Secretary as part of his decision,
23 the decision complained of shall be considered to be effective
24 as of the date on which public announcement of the decision
25 is made at the office of the Secretary in the city of Washing-

1 ton. The Secretary shall thereupon, and in any event not
2 later than ten days from the date of such service upon him,
3 mail or otherwise deliver a copy of said notice of appeal to
4 each person shown by the records of the Secretary to be
5 interested in such appeal and to have a right to intervene
6 therein under the provisions of this section, and shall at all
7 times thereafter permit any such person to inspect and make
8 copies of appellants' reasons for said appeal at the office of
9 the Secretary in the city of Washington. Within thirty days
10 after the filing of said appeal the Secretary shall file with the
11 court the originals or certified copies of all papers and evi-
12 dence presented to him upon the hearing involved, a like
13 copy of his decision thereon, a full statement in writing of
14 the facts and grounds for his decisions as found and given
15 by him and a list of all interested persons to whom he has
16 mailed or otherwise delivered a copy of said notice of appeal.

17 (d) Within thirty days after the filing of said appeal
18 any interested person may intervene and participate in the
19 proceedings had upon said appeal by filing with the court a
20 notice of intention to intervene and a verified statement
21 showing the nature of the interest of such party together
22 with proof of service of true copies of said notice and state-
23 ment, both upon the appellant and upon the Secretary. Any
24 person who would be aggrieved or whose interests would
25 be adversely affected by reversal or modification of the de-

1 cision of the Secretary complained of shall be considered an
2 interested party.

3 (e) At the earliest convenient time the court shall
4 hear and determine the appeal upon the record before it,
5 and shall have power, upon such record, to enter a judgment
6 affirming or reversing the decision, and if it enters an order
7 reversing the decision of the Secretary it shall remand the
8 case to the Secretary to carry out the judgment of the
9 court: *Provided, however,* That the review by the court
10 shall be limited to questions of law and that findings of fact
11 by the Secretary, if supported by substantial evidence, shall
12 be conclusive unless it shall clearly appear that the findings
13 of the Secretary are arbitrary or capricious. The court's
14 judgment shall be final, subject, however, to review by the
15 Supreme Court of the United States, upon writ of certiorari
16 on petition therefor, under section 240 of the Judicial Code,
17 as amended (U. S. C., title 28, sec. 347), by appellant,
18 by the Secretary, or by any interested party intervening in
19 the appeal.

20 (f) The court may, in its discretion, enter judgment
21 for costs in favor of or against an appellant, and other
22 interested parties intervening in said appeal, but not against
23 the Secretary, depending upon the nature of the issues in-
24 volved in such appeal and the outcome thereof.

25 SEC. 206. Subject to the provisions of sections 207 and

1 408 relating to the suspension of quotas, sugar quotas shall
2 be established pursuant to this Act for the calendar year 1948
3 within ten days after effective date of this Act.

4 SEC. 207. (a) Not more than twenty-nine thousand
5 six hundred and sixteen short tons, raw value, of the quota
6 for Hawaii for any calendar year may be filled by direct-
7 consumption sugar.

8 (b) Not more than one hundred and twenty-six thou-
9 sand and thirty-three short tons, raw value, of the quota for
10 Puerto Rico for any calendar year may be filled by direct-
11 consumption sugar.

12 (c) None of the quota for the Virgin Islands for any
13 calendar year may be filled by direct-consumption sugar.

14 (d) Not more than fifty-six thousand short tons of sugar
15 of the quota for the Republic of the Philippines for any
16 calendar year may be filled by direct-consumption sugar
17 as specified in section 211 of the Philippine Trade Act of
18 1946.

19 (e) Not more than three hundred and seventy-five
20 thousand short tons, raw value, of the quota for Cuba for
21 any calendar year may be filled by direct-consumption sugar.

22 (f) This section shall not apply with respect to the
23 quotas established under section 203 for marketing for local
24 consumption in Hawaii and Puerto Rico.

25 (g) The direct-consumption portions of the quotas

1 established pursuant to this section, and the enforcement
 2 provisions of title II applicable thereto, shall continue in
 3 effect and shall not be subject to suspension pursuant to the
 4 provisions of section 408 of this Act unless the President
 5 acting thereunder specifically finds and proclaims that a
 6 national economic or other emergency exists with respect
 7 to sugar or liquid sugar which requires the suspension of
 8 direct-consumption portions of the quotas.

9 SEC. 208. Quotas for liquid sugar for foreign countries
 10 for each calendar year are hereby established as follows:

Country	In terms of wine gallons of 72% total sugar content
Cuba -----	7,970,558
Dominican Republic -----	830,894
Other foreign countries-----	0

11 SEC. 209. All persons are hereby prohibited—

12 (a) From bringing or importing into the continental
 13 United States from the Territory of Hawaii, Puerto Rico,
 14 the Virgin Islands, or foreign countries, (1) any sugar or
 15 liquid sugar after the applicable quota, or the proration of
 16 any such quota, has been filled, or (2) any direct-con-
 17 sumption sugar after the direct-consumption portion of any
 18 such quota has been filled;

19 (b) From shipping, transporting, or marketing in in-
 20 terstate commerce, or in competition with sugar or liquid
 21 sugar shipped, transported, or marketed in interstate or

1 foreign commerce, any sugar or liquid sugar produced from
2 sugar beets or sugarcane grown in either the domestic beet-
3 sugar area or the mainland cane-sugar area after the quota
4 for such area has been filled;

5 (c) From marketing in either the Territory of Hawaii
6 or Puerto Rico, for consumption therein, any sugar or liquid
7 sugar after the quota therefor has been filled;

8 (d) From exceeding allotments of any quota, direct-
9 consumption portion of any quota, or proration of any
10 quota, made to them pursuant to the provisions of this Act.

11 SEC. 210. (a) The determinations provided for in sec-
12 tions 201 and 203, and all quotas, prorations, and allot-
13 ments, except quotas established pursuant to the provisions
14 of section 208, shall be made or established in terms of raw
15 value.

16 (b) For the purposes of this title, liquid sugar, except
17 that imported from foreign countries, shall be included with
18 sugar in making the determinations provided for in sections
19 201 and 203 and in the establishment or revision of quotas,
20 prorations, and allotments.

21 SEC. 211. (a) The raw-value equivalent of any sugar
22 or liquid sugar in any form, including sugar or liquid sugar
23 in manufactured products, exported from the continental
24 United States under the provisions of section 313 of the
25 Tariff Act of 1930 shall be credited against any charges

1 which shall have been made in respect to the applicable
2 quota or proration for the country of origin. The country
3 of origin of sugar or liquid sugar in respect to which any
4 credit shall be established shall be that country in respect
5 to importation from which draw-back of the exported sugar
6 or liquid sugar has been claimed. Sugar or liquid sugar
7 entered into the continental United States under an appli-
8 cable bond established pursuant to orders or regulations
9 issued by the Secretary, for the express purpose of subse-
10 quently exporting the equivalent quantity of sugar or liquid
11 sugar as such, or in manufactured articles, shall not be
12 charged against the applicable quota or proration for the
13 country of origin.

14 (b) Exportation within the meaning of sections 309
15 and 313 of the Tariff Act of 1930 shall be considered to be
16 exportation within the meaning of this section.

17 (c) The quota established for any domestic sugar-
18 producing area may be filled only with sugar or liquid sugar
19 produced from sugar beets or sugarcane grown in such area:
20 *Provided, however,* That any sugar or liquid sugar admitted
21 free of duty from the Virgin Islands under the Act of Con-
22 gress, approved March 3, 1917 (39 Stat. 1133), may be
23 admitted within the quota for the Virgin Islands.

24 SEC. 212. The provisions of this title shall not apply to

25 (1) the first ten short tons, raw value, of sugar or liquid

1 sugar imported from any foreign country, other than Cuba
2 and the Republic of the Philippines, in any calendar year;
3 (2) the first ten short tons, raw value, of sugar or liquid
4 sugar imported from any foreign country, other than Cuba
5 and the Republic of the Philippines, in any calendar year
6 for religious, sacramental, educational, or experimental pur-
7 poses; (3) liquid sugar imported from any foreign coun-
8 try, other than Cuba and the Republic of the Philippines,
9 in individual sealed containers of such capacity as the Secre-
10 tary may determine, not in excess of one and one-tenth
11 gallons each; or (4) any sugar or liquid sugar imported,
12 brought into, or produced or manufactured in the United
13 States for the distillation of alcohol, or for livestock feed,
14 or for the production of livestock feed.

15 TITLE III—CONDITIONAL-PAYMENT

16 PROVISIONS

17 SEC. 301. The Secretary is authorized to make pay-
18 ments on the following conditions with respect to sugar or
19 liquid sugar commercially recoverable from the sugar beets
20 or sugarcane grown on a farm for the extraction of sugar
21 or liquid sugar:

22 (a) That no child under the age of fourteen years shall
23 have been employed or permitted to work on the farm,
24 whether for gain to such child or any other person, in the
25 production, cultivation, or harvesting of a crop of sugar

1 beets or sugarcane with respect to which application for
2 payment is made, except a member of the immediate family
3 of a person who was the legal owner of not less than 40
4 per centum of the crop at the time such work was per-
5 formed; and that no child between the ages of fourteen and
6 sixteen years shall have been employed or permitted to do
7 such work, whether for gain to such child or any other per-
8 son, for a longer period than eight hours in any one day,
9 except a member of the immediate family of a person who
10 was the legal owner of not less than 40 per centum of the
11 crop at the time such work was performed. The Secretary
12 is authorized to make payments, notwithstanding a failure
13 to comply with the conditions provided in this subsection,
14 but the payments made with respect to any crop shall be
15 subject to a deduction of \$10 for each child for each day,
16 or a portion of a day, during which such child was employed
17 or permitted to work contrary to the foregoing provisions
18 of this subsection.

19 (b) That there shall not have been marketed (or
20 processed) an amount (in terms of planted acreage, weight,
21 or recoverable sugar content) of sugar beets or sugarcane
22 grown on the farm and used for the production of sugar or
23 liquid sugar to be marketed in, or so as to compete with or
24 otherwise directly affect interstate or foreign commerce, in

1 excess of the proportionate share for the farm, as determined
2 by the Secretary pursuant to the provisions of section 302,
3 of the total quantity of sugar beets or sugarcane required to
4 be processed to enable the area in which such sugar beets
5 or sugarcane are produced to meet the quota (and provide a
6 normal carry-over inventory) as estimated by the Secretary
7 for such area for the calendar year during which the larger
8 part of the sugar or liquid sugar from such crop normally
9 would be marketed.

10 (c) (1) That all persons employed on the farm in
11 the production, cultivation, or harvesting of sugar beets or
12 sugarcane with respect to which an application for payment
13 is made shall have been paid in full for all such work, and
14 shall have been paid wages therefor at rates not less than
15 those that may be determined by the Secretary to be fair
16 and reasonable after investigation and due notice and oppor-
17 tunity for public hearing; and in making such determinations
18 the Secretary shall take into consideration the standards
19 therefor formerly established by him under the Agricultural
20 Adjustment Act, as amended, and the differences in condi-
21 tions among various producing areas: *Provided, however,*
22 That a payment which would be payable except for the
23 foregoing provisions of this subparagraph may be made, as
24 the Secretary may determine, in such manner that the
25 laborer will receive an amount, insofar as such payment will

1 suffice, equal to the amount of the accrued unpaid wages for
2 such work, and that the producer will receive the remainder,
3 if any, of such payment.

4 (2) That the producer on the farm who is also, directly
5 or indirectly, a processor of sugar beets or sugarcane, as may
6 be determined by the Secretary, shall have paid, or con-
7 tracted to pay under either purchase or toll agreements, for
8 and sugar beets or sugarcane grown by other producers and
9 processed by him at rates not less than those that may be
10 determined by the Secretary to be fair and reasonable after
11 investigation and due notice and opportunity for public
12 hearing.

13 (3) Subparagraphs (1) and (2) of this subsection (c)
14 shall apply, and the Secretary shall make determinations
15 thereunder, with respect to any domestic sugar-producing
16 area only (i) if producers in such area, who are also
17 processors, produce in excess of 5 per centum of the total
18 production of sugar beets or sugarcane in such area, and also
19 (ii) if request for such determinations is first made by
20 persons constituting, or representing, a substantial propor-
21 tion of the producers, processors, or laborers in such area
22 who would be affected by such determinations: *Provided*,
23 *however*, That in the case of the mainland cane-sugar area,
24 the provisions of this subsection (c) shall apply separately
25 to the States of Florida and Louisiana.

1 SEC. 302. (a) The amount of sugar or liquid sugar
2 with respect to which payment may be made shall be the
3 amount of sugar or liquid sugar commercially recoverable,
4 as determined by the Secretary, from the sugar beets or
5 sugarcane grown on the farm and marketed (or processed by
6 the producer) not in excess of the proportionate share for the
7 farm, as determined by the Secretary, of the quantity of
8 sugar beets or sugarcane for the extraction of sugar or liquid
9 sugar required to be processed to enable the producing area
10 in which the crop of sugar beets or sugarcane is grown to
11 meet the quota (and provide a normal carry-over inventory)
12 estimated by the Secretary for such area for the calendar year
13 during which the larger part of the sugar or liquid sugar from
14 such crop normally would be marketed.

15 (b) In determining the proportionate shares with re-
16 spect to a farm, the Secretary may take into consideration
17 the past production on the farm of sugar beets and sugarcane
18 marketed (or processed) for the extraction of sugar or liquid
19 sugar and the ability to produce such sugar beets or sugar-
20 cane, and the Secretary shall, insofar as practicable, protect
21 the interests of new producers and small producers and the
22 interests of producers who are cash tenants, share tenants,
23 adherent planters, or share croppers.

24 (c) Payments shall be effective with respect to sugar
25 or liquid sugar commercially recoverable from sugar beets

1 and sugarcane grown on a farm commencing with the crop
2 year 1948.

3 SEC. 303. In addition to the amount of sugar or liquid
4 sugar with respect to which payments are authorized under
5 subsection (a) of section 302, the Secretary is also author-
6 ized to make payments, on the conditions provided in section
7 301, with respect to bona fide abandonment of planted acre-
8 age and crop deficiencies of harvested acreage, resulting from
9 drought, flood, storm, freeze, disease, or insects, which cause
10 such damage to all or a substantial part of the crop of sugar
11 beets or sugarcane in the same factory district (as established
12 by the Secretary), county, parish, municipality, or local pro-
13 ducing area, as determined in accordance with regulations
14 issued by the Secretary, on the following quantities of sugar
15 or liquid sugar: (1) With respect to such bona fide abandon-
16 ment of each planted acre of sugar beets or sugarcane, one-
17 third of the normal yield of commercially recoverable sugar
18 or liquid sugar per acre for the farm, as determined by the
19 Secretary; and (2) with respect to such crop deficiencies of
20 harvested acreage of sugar beets or sugarcane, the excess of
21 80 per centum of the normal yield of commercially recover-
22 able sugar or liquid sugar for such acreage for the farm, as
23 determined by the Secretary, over the actual yield.

24 SEC. 304. (a) The amount of the base rate of payment

1 shall be 80 cents per hundred pounds of sugar or liquid
2 sugar, raw value.

3 (b) All payments shall be calculated with respect to
4 a farm which, for the purposes of this Act, shall be a farm-
5 ing unit as determined in accordance with regulations issued
6 by the Secretary, and in making such determinations, the
7 Secretary shall take into consideration the use of common
8 work stock, equipment, labor, management, and other per-
9 tinent factors.

10 (c) The total payment with respect to a farm shall be
11 the product of the base rate specified in subsection (a) of
12 this section multiplied by the amount of sugar and liquid
13 sugar, raw value, with respect to which payment is to be
14 made, except that reduction shall be made from such total
15 payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value	Reduction in the base rate of payment per hundred- weight of such portion
350 to 700_____	\$0. 05
700 to 1,000_____	. 10
1,000 to 1,500_____	. 20
1,500 to 3,000_____	. 25
3,000 to 6,000_____	. 275
6,000 to 12,000_____	. 30
12,000 to 30,000_____	. 325
More than 30,000_____	. 50

16 (d) Application for payment shall be made by, and
17 payments shall be made to, the producer or, in the event
18 of his death, disappearance, or incompetency, his legal
19 representative, or heirs: *Provided, however,* That all pro-

1 ducers on the farm shall signify in the application for pay-
2 ment the percentage of the total payment with respect to
3 the farm to be made to each producer: *And provided further,*
4 That payments may be made, (1) in the event of the
5 death, disappearance, or incompetency of a producer, to
6 such beneficiary as the producer may designate in the
7 application for payment; (2) to one producer of a group of
8 two or more producers, provided all producers on the farm
9 designate such producer in the application for payment as
10 sole recipient for their benefit of the payment with respect
11 to the farm; or (3) to a person who is not a producer, pro-
12 vided such person controls the land included within the
13 farm with respect to which the application for payment is
14 made and is designated by the sole producer (or all pro-
15 ducers) on the farm, as sole recipient for his or their benefit,
16 of the payment with respect to the farm.

17 SEC. 305. In carrying out the provisions of titles II
18 and III of this Act, the Secretary is authorized to utilize
19 local committees of sugar beet or sugarcane producers, State
20 and county agricultural conservation committees, or the
21 Agricultural Extension Service and other agencies, and the
22 Secretary may prescribe that all or a part of the expenses of
23 such committees may be deducted from the payments herein
24 authorized.

25 SEC. 306. The facts constituting the basis for any pay-

1 ment, or the amount thereof authorized to be made under
2 this title, officially determined in conformity with rules or
3 regulations prescribed by the Secretary, shall be reviewable
4 only by the Secretary, and his determinations with respect
5 thereto shall be final and conclusive.

6 SEC. 307. This title shall apply to the continental United
7 States, the Territory of Hawaiï, Puerto Rico, and the
8 Virgin Islands.

9 TITLE IV—GENERAL PROVISIONS

10 SEC. 401. For the purposes of this Act, the Secretary
11 may make such expenditures as he deems necessary to carry
12 out the provisions of this Act, including personal services
13 and rents in the District of Columbia and elsewhere.

14 SEC. 402. (a) There is hereby authorized to be appro-
15 priated for each fiscal year for the purposes and administra-
16 tion of this Act the funds necessary to make the payments
17 provided for in title III of this Act and such other amounts
18 as the Congress determines to be necessary for such fiscal
19 year to carry out the other provisions of the Act.

20 (b) All funds available for carrying out this Act shall
21 be available for allotment to the bureaus and offices of the
22 Department of Agriculture and for transfer to such other
23 agencies of the Federal Government as the Secretary may
24 request to cooperate or assist in carrying out the provisions
25 of this Act.

1 (c) The funds made available for the purpose of
2 enabling the Secretary to carry into effect the provisions
3 of the Sugar Act of 1937, as amended, during the fiscal
4 year 1948 are also hereby made available to the Secretary
5 for purposes of administration of the provisions of this Act
6 during the fiscal year 1948.

7 SEC. 403. (a) The Secretary is authorized to make such
8 orders or regulations, which shall have the force and effect
9 of law, as may be necessary to carry out the powers vested
10 in him by this Act. Any person knowingly violating any
11 order or regulation of the Secretary issued pursuant to this
12 Act shall, upon conviction, be punished by a fine of not more
13 than \$100 for each such violation.

14 (b). Each determination issued by the Secretary in con-
15 nection with quotas and deficits under title II or payments
16 under title III of this Act shall be promptly published in the
17 Federal Register and shall be accompanied by a statement
18 of the bases and considerations upon which such determina-
19 tion was made.

20 SEC. 404. The several district courts of the United
21 States are hereby vested with jurisdiction specifically to en-
22 force, and to prevent and restrain any person from violating,
23 the provisions of this Act or of any order or regulation made
24 or issued pursuant to this Act. If and when the Secretary
25 shall so request, it shall be the duty of the several district

1 attorneys of the United States, in their respective districts,
2 to institute proceedings to enforce the remedies and to collect
3 the penalties and forfeitures provided for in this Act. The
4 remedies provided for in this Act shall be in addition to, and
5 not exclusive of, any of the remedies or penalties existing at
6 law or in equity.

7 SEC. 405. Any person who knowingly violates, or at-
8 tempts to violate, or who knowingly participates or aids
9 in the violation of, any of the provisions of section 209, or
10 any person who brings or imports into the continental
11 United States direct-consumption sugar after the quantities
12 specified in section 207 have been filled, shall forfeit to the
13 United States the sum equal to three times the market value,
14 at the time of the commission of any such act, (a) of that
15 quantity of sugar or liquid sugar by which any quota, pro-
16 ration, or allotment is exceeded, or (b) of that quantity
17 brought or imported into the continental United States after
18 the quantities specified in section 207 have been filled, which
19 forfeiture shall be recoverable in a civil suit brought in the
20 name of the United States.

21 SEC. 406. All persons engaged in the manufacturing,
22 marketing, or transportation or industrial use of sugar or
23 liquid sugar, and having information which the Secretary
24 deems necessary to enable him to administer the provisions
25 of this Act, shall, upon the request of the Secretary, fur-

1 nish him with such information. Any person willfully fail-
2 ing or refusing to furnish such information or furnishing
3 willfully any false information, shall upon conviction be
4 subject to a penalty of not more than \$1,000 for each such
5 violation.

6 SEC. 407. No person shall, while acting in any official
7 capacity in the administration of this Act, invest or speculate
8 in sugar or liquid sugar, contracts relating thereto, or the
9 stock or membership interests of any association or corpora-
10 tion engaged in the production or manufacturing of sugar
11 or liquid sugar. Any person violating this section shall
12 upon conviction thereof be fined not more than \$10,000 or
13 imprisoned not more than two years, or both.

14 SEC. 408. Whenever pursuant to the provisions of this
15 Act the President finds and proclaims that a national eco-
16 nomic or other emergency exists with respect to sugar or
17 liquid sugar, he shall by proclamation suspend the operation,
18 except as provided in section 207 of this Act, of all the pro-
19 visions of title II above, and, thereafter, the operation of such
20 title shall continue in suspense until the President finds and
21 proclaims that the facts which occasioned such suspension no
22 longer exist. The Secretary shall make such investigations
23 and reports thereon to the President as may be necessary to
24 aid him in carrying out the provisions of this section.

25 SEC. 409. Whenever the Secretary determines that such

1 action is necessary to effectuate the purposes of this Act, he
2 is authorized, if first requested by persons constituting or
3 representing a substantial proportion of the persons affected
4 in any one of the five domestic sugar-producing areas, to
5 make for such area surveys and investigations to the extent
6 he deems necessary, including the holding of public hearings,
7 and to make recommendations with respect to (a) the terms
8 and conditions of contracts between the producers and
9 processors of sugar beets and sugarcane in such area and
10 (b) the terms and conditions of contracts between laborers
11 and producers of sugar beets and sugarcane in such area. In
12 carrying out the provisions of this section, information shall
13 not be made public with respect to the individual operations
14 of any processor, producer, or laborer.

15 SEC. 410. The Secretary is authorized to conduct sur-
16 veys, investigations, and research relating to the conditions
17 and factors affecting the methods of accomplishing most
18 effectively the purposes of this Act and for the benefit of
19 agriculture generally in any area. Notwithstanding any
20 provision of existing law, the Secretary is authorized to make
21 public such information as he deems necessary to carry out
22 the provisions of this Act.

23 SEC. 411. The powers vested in the Secretary under
24 this Act shall terminate on December 31, 1952, except
25 that the Secretary shall have power to make payments under

1 title III under programs applicable to the crop year 1952 and
2 previous crop years.

3 SEC. 412. The provisions of this Act, except where an
4 earlier effective date is provided for herein, shall become
5 effective January 1, 1948. As provided in section 513 of
6 the Sugar Act of 1937, the powers vested in the Secretary
7 under that Act shall terminate on December 31, 1947, except
8 that the Secretary shall have power to make payments under
9 title III of that Act under programs thereunder applicable
10 to the crop year 1947 and previous crop years.

11 TITLE V—AMENDMENTS TO THE INTERNAL
12 REVENUE CODE

13 SEC. 501. (a) Subsection (b) of section 3507 of the
14 Internal Revenue Code (relating to the definition of “manu-
15 factured sugar”) is amended by inserting in the parenthesis
16 after the word “added” therein the following: “or developed
17 in the product”.

18 (b) Section 3508 of the Internal Revenue Code (relat-
19 ing to termination of taxes) is amended to read as follows:

20 **“SEC. 3508. TERMINATION OF TAXES.**

21 “No tax shall be imposed under this chapter on the
22 manufacture, use, or importation of sugar or articles com-
23 posed in chief value of sugar after June 30, 1953. Not-
24 withstanding the provisions of section 3490 or 3500, no tax
25 shall be imposed under this chapter with respect to unsold

1 sugar held by a manufacturer on June 30, 1953, or with
2 respect to sugar or articles composed in chief value of sugar
3 held in customs custody or control on such date.

4 “With respect to any sugar or articles composed in chief
5 value of sugar upon which tax imposed under section 3500
6 has been paid and which, on June 30, 1953, are held by the
7 importer and intended for sale or other disposition, there
8 shall be refunded (without interest) to such importer, sub-
9 ject to such regulations as may be prescribed by the Com-
10 missioner of Customs with the approval of the Secretary, an
11 amount equal to the tax paid with respect to such sugar
12 or articles composed in chief value of sugar.”

13 (c) The amendments to the Internal Revenue Code
14 provided for in this section shall become effective upon the
15 first day of the second month following the date of the enact-
16 ment of this Act.

A BILL

To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

By Mr. MURKIN, Mr. BALL, Mr. BREWSTER, Mr. BUSHFIELD, Mr. BUTLER, Mr. CAIN, Mr. CORDON, Mr. DWORSHAK, Mr. ELLENDER, Mr. EGTON, Mr. FERGUSON, Mr. FLANDERS, Mr. GEORGE, Mr. GUNEY, Mr. HAYDEN, Mr. HOLLAND, Mr. JOHNSON of Colorado, Mr. MARTIN, Mr. McFARLAND, Mr. MAGNUSON, Mr. MORSE, Mr. MURRAY, Mr. MALONE, Mr. OVERTON, Mr. O'MAHONEY, Mr. PEPPER, Mr. ROBERTSON of Wyoming, Mr. RUSSELL, Mr. TAYLOR, Mr. THYE, Mr. VANDENBERG, Mr. WHEERRY, Mr. WATKINS, and Mr. YOUNG

JULY 8 (legislative day, JULY 7), 1947

Read twice and referred to the Committee on Finance

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued July 10, 1947
For actions of July 9, 1947
80th-1st, No. 130

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HIGHLIGHTS: Senate passed Aiken crop-insurance bill. House debated sugar bill. House committee ordered reported bills to permit timber sales in Tongass Forest, to make specific provision for milk-price support, to provide for Alaska settlement by veterans, and to amend Reclamation Act. Rep. Hardy introduced bill to amend AAA Act re peanut marketing quotas. President approved State, Justice, Commerce, Judiciary appropriation bill.

SENATE

1. CROP INSURANCE. Passed with amendments S. 1326, to place the crop-insurance program on a limited basis (pp. 8698-9). Agreed to an amendment by Sen. Aiken, Vt., to authorize \$25,000,000 additional capital instead of \$50,000,000 as proposed in the bill as reported (p. 8699). For provisions of bill see Digest 111.
2. COMMITTEE STAFF. The Chairman of the Agriculture and Forestry Committee submitted a report on the names and salaries of the Committee staff (p. 8655).
3. APPROPRIATIONS. The Appropriations Committee reported with amendments: H. R. 3993, the legislative appropriation bill (S. Rept. 467) (p. 8655); and H. R. 3678, the military appropriation bill (S. Rept. 465) (p. 8655).
4. DAYLIGHT SAVING TIME. The D. C. Committee reported without amendment S. 1481, to authorize the D. C. Commissioners to establish daylight-saving time in D. C. during the summer of each year (p. 8655).

HOUSE

5. SUGAR. Began debate on H. R. 4075, the sugar bill (pp. 8720-31).
6. D. C. APPROPRIATION BILL. Passed with amendments this bill, H. R. 4106 (pp. 8706-19).
7. FOOD SHIPMENTS. Rep. Vorys, Ohio, inserted a State Department report on shipments of food from Greece to U. S., and H. Res. 258, requesting this information, was laid on the table (p. 8704). Reps. Rogers, Mass., and Rich, Pa.,

~~expressed dissatisfaction with the report (pp. 8704-5).~~

8. SUGAR. Rep. Eberharter, Pa., said the intent of Congress is being disregarded concerning allocation of sugar for industrial users and recommended termination of these controls (p. 8705).
9. STOCKPILING. Received from this Department a proposed bill to amend the Strategic and Critical Materials Stock Piling Act so as to enable CCC to be compensated for materials transferred to the stockpile in the same manner as is now provided for RFC, by cancellation of Treasury notes; to Armed Services Committee (p. 8736).
10. FOREST TIMBER. The Agriculture Committee ordered reported (but did not actually report) H.J.Res. 205, to provide for the sale of timber within the Tongass National Forest (p. D508).
11. MILK PRICE SUPPORTS. The Banking and Currency Committee ordered reported (but did not actually report) H.R. 3370, to provide for a support price of milk (p. D508). The Daily Digest states: "Under the bill the Secretary of Agriculture is directed to announce the support price for all milk produced in the United States until December 31, 1948. The announced support price shall be for a period of 3 or 6 months and shall be 'at not less than 90 percent of parity' and shall include all milk regardless of its ultimate use. The Secretary of Agriculture is directed to make this announcement within 60 days after the effective date of the act."
12. LANDS. The Public Lands Committee ordered reported (but did not actually report) the following bills: H.R. 2867, to permit mining in Harney National Forest; H.R. 2873, to amend the provisions of the Reclamation Project Act of 1939; H.R. 3218, to provide emergency funds for the Bureau of Reclamation operation; H.R. 3971, to increase size of isolated or disconnected tracts that can be sold; H.R. 4059, to provide for settlement of parts of Alaska by war veterans; H.R. 4079, to amend the Taylor Grazing Act regarding grazing fees and permits; S. 753, to defer collection of construction charges, Flathead Irrigation project; and S. 1185, to provide for disposal of certain materials on public lands (pp. D509-10).

BILLS INTRODUCED

13. PEANUTS; AACT. H.R. 4124, by Rep. Hardy, Va., to amend the peanut marketing quota provisions of the Agricultural Adjustment Act. To Agriculture Committee. (p. 8737.)
14. PUBLIC WORKS. H.R. 4125, by Rep. Rains, Ala., relating to loans by Federal agencies for the construction of certain public works. To Public Works Committee. (p. 8737.)
15. FLOOD CONTROL. H.R. 4126, by Rep. Ramoy, Ohio, to include the Howard Farms Reno area, Lucas County, Ohio, within the provisions of the Flood Control Act of June 22, 1936. To Public Works Committee. (p. 8737.)
16. PERSONNEL. H.R. 4127, by Rep. Stevenson, Wis., "to amend the Civil Service Retirement Act." To Post Office and Civil Service Committee. (p. 8737.)
17. RECONSTRUCTION FINANCE CORPORATION. S. 1587, by Sen. Johnston, S.C., to amend the Reconstruction Finance Corporation Act so as to authorize the RFC to purchase home loans guaranteed or insured under the G.I. Bill. To Banking and

Currency Committee, (p. 8656.) Remarks of author (pp. 8656-8).

18. ELECTRIFICATION. S. 1591, by Sen. Butler, Nebr. (by request), to transfer certain transmission lines, substations, appurtenances, and equipment in connection with the sale and disposition of electric energy generated at the Fort Beck project, Mont. To Public Lands Committee. (p. 8656.)
19. SUGAR. S. 1584, the proposed Sugar Act of 1948 (see Digest 192), is identical to H.R. 4075 as reported by the House Agriculture Committee, except that it contains a provision which would, within limited circumstances, make effective, in the sugarcane areas but not in the sugar beet areas, the fair wage and price provisions of the present Act. For provisions of H.R. 4075 see Digest 128.
20. PERSONNEL. S. 1537 (see Digest 124) would increase the salaries of department heads to \$20,000, of Under Secretaries to \$17,500, and of Assistant Secretaries to \$15,000.

ITEMS IN APPENDIX

21. EXECUTIVE ORGANIZATION. Sen. McClellan, Ark., inserted a Washington News editorial, "Better Government," commending the enactment of the bill to provide for a Commission on Organization of the Executive Branch (p. A3617).
22. ELECTRIFICATION. Rep. Angell, Oreg., inserted his statement before the House Public Works Committee opposing H.R. 3036, to amend laws governing the marketing of hydroelectric power generated at Federal projects on navigable streams (pp. A3619-21).
23. EDUCATION; INFORMATION. Rep. Mundt, S. Dak., inserted a Pathfinder magazine article favoring H.R. 3342, the foreign information and educational exchange bill (p. A3626).
24. HOUSING; R.F.C. Extension of remarks of Rep. Kefauver, Tenn., urging passage of his bill, H.R. 4058, to amend the recent RFC act so as to authorize RFC to purchase home loans guaranteed or insured under the G.I. Bill (pp. A3626-7).

COMMITTEE HEARING Released by G.P.O.

25. FUR SITUATION. Pt. 2. House Agriculture Committee.

BILL APPROVED BY THE PRESIDENT

26. STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION ACT, 1948. H.R. 3311 includes appropriations for various international organizations, including the Food and Agriculture Organization; funds for U.S. obligations of the International Boundary and Water Commission, U.S. and Mexico; provides for transfers to departments assisting in special and technical investigations for the U.S.-Canada International Joint Commission; appropriates \$3,900,000 for cooperation with Latin America, including authorization for transfers from this fund for agricultural experiment and demonstration stations in Latin America; provides for the Bureau of Standards to test and develop standards for equipment and supplies in connection with Government purchases; and appropriates \$4,000,000 for a census of manufactures by the Census Bureau. Approved July 9 (Public Law 116, 80th Cong.).

Reclamation Bureau (Brannan to testify); H. Agriculture, purchase of surplus canned and processed goods for foreign relief (S.R. Smith, Rhodes, Burke, of PMA, to testify); H. Public Lands, reclamation program and development of coal on public domain; H. Appropriations, deficiency (ex.); H. Education and Labor, minimum wage rate; H. Foreign Affairs, Inter-American Institute (ex.); H. Interstate and Foreign Commerce, amendments to Federal Power Act; H. Ways and Means, general tax; S. Small Business, steel hearings; Joint Committee on Economic Report, economic stabilization; S. Appropriations, War Department civil functions appropriation bill. For July 11: S. Public Lands, forestry program, national resources subcommittee (Watts, Marsh, Crafts, of FS, to testify).

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

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the Armed Services Committee of the Senate on May 6, 1947:

I feel that in the controversies and discussions that have so far taken place (in relation to an improved organization for national security) the emphasis has been wrongly placed; that, so to speak, the cart has been put before the horse.

Third. From a national security standpoint our most pressing need of the moment is an agency which will coordinate and tie together all those activities of government which have to do with the political, the military, the economic, and the industrial factors involved in the common defense.

Fourth. As to the reorganization of the military departments themselves, it is my feeling that by a process of evolution and real interservice education a truly single service might become a probability within a generation.

Fifth. At a time when every prospect of the future indicates a necessity for a simplified and economical structure, it establishes an organization which multiplies, complicates, and one which will strain the financial resources of this country to maintain. Money badly needed for real military needs will be used for a greatly enlarged departmental structure and overhead.

Sixth. The crux of the matter in this respect is of course the demand of the Army Air Forces for autonomy. Without this demand we could proceed with an orderly coordination of the two services on an economical basis and ultimately to a single service.

Seventh. Insofar as air is concerned, and I consider myself qualified to speak, I feel that at the moment, as of today, the Air Forces of the Army and the Navy are the most essential offensive and defensive components of our military strength. Nothing should be done to weaken them in any way, and air-mindedness must continue to be a requisite in all military and naval planning and thinking.

Eighth. If the Army Air Forces attain separate departmental status, it is my belief that they will tend to become frozen in an outmoded pattern due to lack of competition. They will soon become the only air forces of the United States, for I am certain that the Naval Air Forces cannot long maintain their present status and efficiency vis-à-vis a separate air department.

Ninth. Without air the ground Army and the surface Navy, still able to exert tremendous influence, will tend to become completely reactionary in their efforts to maintain their own size and prestige.

Tenth. To my mind there is less reason for a separate department of air, now, than there was 25 or 30 years ago when proponents of such action were just as strong in their convictions and used many of the same arguments to back up their contentions.

Eleventh. What concern us as a nation now is the future. What of the future of military air? No one knows exactly, but in this connection I invite your attention to Dr. J. C. Hunsaker's letter dated January 10, 1947, wherein he says:

The close of the war marked the end of one whole phase of development of the air-

plane as conceived by the Wright brothers. The airplane in its present form is no longer a sound basis for future planning for the national defense.

Twelfth. Since the future of military air power is not to be in the pattern of World War II, justification for a separate department of air should not be made on the basis that the Army Air Forces earned such a status by their splendid work in that war. If justified, it must be on the basis of future warfare which is an entirely different matter.

Thirteenth. In my opinion, a critical, impartial analysis will show that future air operations will become more closely integrated with all other phases of military operations; instead of becoming more independent, ground armies and surface navies will exist in such size and in such form as will best enable them to contribute to the support of the air offensive.

Fourteenth. H. R. 2319, providing for creation of the national defense establishment, would set the pattern for our military organization for some time to come. If that pattern proved wrong, it would be difficult if not impossible to change, for the structure it sets up would increase the collective influence of the military on our Government to a dangerous degree.

Fifteenth. My personal recommendation for an immediate solution to the problems involved in improving our organization for national security would be a coordinated two-department establishment with adequate and positive safeguards for the air forces of each department. Such an organization could be relatively simple and economical.

Sixteenth. On the question you ask in regard to the opinion of men in the service. I do not feel qualified to speak for any considerable number. I do know that many naval officers who have given the subject considerable thought agree with me in general, and that is particularly true of many naval aviators who are likely to occupy positions of great responsibility in the next 10 to 20 years.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

SPECIAL ORDER GRANTED

Mr. MASON. Mr. Speaker, I ask unanimous consent that I may address the House for 30 minutes on Monday next following the disposition of the business on the Speaker's table and other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FOOD PACKAGES FROM GREECE

Mr. RICH. Mr. Speaker, I am quite surprised that we had this report from the Foreign Affairs Committee a few moments ago. It is difficult to determine

what the true situation is. I am afraid the Foreign Affairs Committee are more foreign than domestic. Here a few weeks ago we gave \$300,000,000 to feed the Greeks, yet we hear about foodstuffs being shipped from Greece into this country. We should find out whether our money is being wisely spent and whether or not the foodstuffs that are coming out of Greece could not more properly be used to take care of the Greeks and thus save \$300,000,000 of the taxpayers' money in this country.

I am just shocked. I think the Foreign Affairs Committee must be more tied up in the interest of foreign countries than they are in the United States of America and they do not want the American citizens to know what is going on. It bothers me. I think the people of America ought to have the right to know whether you are spending their money wisely. I am of the opinion you are not doing the thing best for America by not letting the American people know exactly how you are squandering their money abroad.

SPECIAL ORDER GRANTED

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House on tomorrow for 15 minutes after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SUGAR RATIONING

Mr. EBERHARTER. Mr. Speaker, I think the membership of the House knows my record is pretty consistent so far as support of the price control and rationing programs are concerned; however, recently my attention has been called to the manner in which those in charge of sugar rationing are subverting, seemingly intentionally and deliberately, the will of the Congress insofar as the act recently passed concerning the allocation of sugar is concerned for industrial users.

I have come to the conclusion that sugar rationing ought to be abolished and I think that should be done before the Congress adjourns. I have reached that conclusion, Mr. Speaker, because I believe those in charge are deliberately and intentionally violating the purpose and intent of the Congress when it passed the last act.

I hope the Committee on Banking and Currency will look into the way the act is being administered and bring in a simple resolution before we adjourn ending sugar control.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

COMMITTEE ON VETERANS' AFFAIRS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that

the Committee on Veterans' Affairs be permitted to sit during general debate of the House today.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. MUNDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial by Wheeler McMillen, editor of the Pathfinder magazine, on the subject Voice of America.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include certain remarks he made in the Public Works Committee.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

OHIO RIVER AUTHORITY

Mr. RANKIN. Mr. Speaker, I rise at this time to congratulate the gentleman from Ohio [Mr. BENDER] for at last finding something wrong at home in Cleveland, Ohio, although only 72 cents seems to be involved, according to his report. The gentleman from Ohio [Mr. BENDER] has been spreading out trying to revise human nature in the Southern States so long that I was afraid he would never get back to Ohio with his investigations.

I shall be glad to help him find out from the Post Office Department what is wrong in Cleveland and assist him in every way I can to secure the proper correction.

I understand the gentleman from Ohio has also had another revival of righteousness and introduced a bill providing for an Ohio River Authority. He excludes the generation of electric power in this bill; however, he does provide authority for the people of Ohio to at least look at the Ohio River. If they will do that and realize that there are 10,000,000 kilowatt-hours of electricity a year going to waste in the Ohio River which the people of Ohio need, and will need more as they deplete their present coal supply, which is now on the decline, the gentleman from Ohio will have rendered two distinct services to the people of Ohio while letting the Southern States have a rest.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1948

Mr. HORAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 1 hour, one-half of the time

to be controlled by the gentleman from Rhode Island [Mr. FOGARTY] and the other half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. FOGARTY. Mr. Speaker, reserving the right to object, although we have not had any requests for time over that amount on this side, I think it would be better if we could agree on an hour and a half. If we do not use it, all right; we can start reading the bill.

Mr. HORAN. Mr. Speaker, that is agreeable to me, and I amend my request accordingly.

Mr. FOGARTY. The time to be divided between the gentleman from Washington and myself.

Mr. HORAN. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Washington.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4106, with Mr. BROWN of Ohio in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HORAN. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, to serve on the Subcommittee on Appropriations for the District of Columbia is a responsibility which few Members of this House would seriously request.

Personally, however, I have found it to involve a valuable opportunity for public service because the District of Columbia—the Nation's Capital—is the property of the entire Nation. It is the property of my own district and of my own State, and not just the property of the people who live here. Furthermore it is not only the Nation's Capital but in the opinion and in the desire of some of us in this House, it is fast becoming the capital of the world. To serve its needs adequately is to safeguard the interests of every citizen in every district in all 48 States of the Union.

Congress is, under the Constitution, the trustee for the efficient operation of the District of Columbia Government and for the welfare of that body of our American citizenry who, because of the needs of the Federal Government, must make the city of Washington a temporary place of abode. This trusteeship places responsibility upon any person serving on a District committee—whether legislative or appropriations—to serve sincerely, adequately, and energetically in devising a fiscal program which will maintain and assure the successful operation of every phase of the life of this Nation's Capital.

Aside from myself as chairman, the membership of the committee has included the Honorable KARL STEFAN, Member of Congress from Nebraska, to whom I am especially indebted for counsel and assistance, and to whom the people of the District of Columbia owe

a debt of gratitude that cannot easily be discharged, for the gentleman from Nebraska [Mr. STEFAN] has continued to serve without stint of time or energy in the interest of good government in the District of Columbia for more than 10 years. His knowledge of the intricacies of the amazing network of boards, commissions, departments, bureaus, associations, and agencies which go to make up what we generally call the municipal government of the District of Columbia is enormous. I should like also to express my appreciation for the assistance given us in consideration of this bill by the other members of the committee, the Honorable RALPH E. CHURCH, from Illinois; the Honorable LOWELL STOCKMAN, Member of Congress from Oregon; the Honorable GEORGE ANDREWS, from Alabama; the Honorable JOSEPH BATES, of Kentucky; and the Honorable JOHN FOGARTY, Member of Congress from Rhode Island. I wish especially to express a chairman's gratitude to his colleagues on the committee for the considerable time they have devoted in helpful consideration of the problems involved in this bill. I also wish to express on behalf of the entire committee our gratitude to the very able and conscientious executive secretary of the committee, Mr. Corhal Orescan, whose helpfulness and devotion to the needs of the committee has characterized every effort in the long weeks given to the consideration of this bill.

The bill as reported by the Committee on Appropriations for consideration here, represents an increase of approximately \$750,000 over the estimates presented in the President's budget. It represents an increase of approximately \$5,000,000 over the appropriations made for the fiscal year just ended.

This is the last of the appropriation bills to come before this body. It is entirely different from any other appropriation bill on which this House acts. This is not a Federal supply bill. It is a supply bill for the local government of the District of Columbia. The latter assumes many of the aspects of a State.

I have served faithfully on two other major subcommittees. I recognize that the Federal Government must cut its expenses and balance without question its annual budget if this Nation is to remain solvent. At the same time, I feel that those public services which the people demand should be progressively assured wherever fitting and possible by local government. This we have tried to recognize in the bill before you.

Our consideration followed two general lines. First, the elimination as far as possible, of duplication, waste, and inefficiency by clarification of the authorities which exist here in the District. And, when one realizes that there are no less than 31 various autonomous offices, boards and organizations within the framework of our District government, one can gain some concept of the confusion that can occur in consideration of the budget for the District of Columbia.

In fact, only in the budget and around the hearing table do some of these various autonomous bodies meet each other. It has been my habit to call our

Mr. HORAN. Our action was taken 2 weeks ago.

I ask the Committee to vote down this amendment.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. If this overcrowded condition exists, and I speak from long experience in this particular field, why have they during the last 10 years abandoned 13 school buildings, and why do these conditions exist during a period of time when they have already spent over \$13,000,000 on new construction? Why are they under your bill abandoning these four big school buildings of masonry construction that have been built only since 1880 or 1890, some of them since 1900? Those are the questions we ought to know about before we foist on the taxpayers of this city the tremendous expenditure that is being recommended in this bill, which in the aggregate ultimately will mean \$18,000,000.

Mr. HORAN. I do not want to belabor the Committee, but it was in answering the questions the gentleman from Massachusetts has just propounded to me that we called Dr. Corning and Dr. Wilkinson back to our committee not once but four times. I am convinced that we need school construction because, in spite of what the gentleman says, we still have 6,743 children on part-time instruction in the District of Columbia.

Mr. BATES of Massachusetts. What did Dr. Corning say about the abandonment of these four large masonry-constructed buildings and the 13 school buildings since 1937?

Mr. HORAN. That was due to population shifts.

Mr. BATES of Massachusetts. Of course, population can be fitted into school conditions, I know that.

Mr. HORAN. Mr. Chairman, I ask you to vote down the amendment.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I concur in everything the chairman of our subcommittee has just related to this committee. We had something like this taken up before the full committee on yesterday morning, where a motion was made to strike about \$2,000,000 for schools from this bill. After considerable discussion in the full Committee on Appropriations yesterday morning, the amendment was withdrawn and was not put to a vote, because I think it was clearly shown that it is about time we did something to give the children of this District a half-decent education. Two of the schools that are affected in this amendment are colored schools. They are in the worst sections of the city. It was testified at the hearings before this committee that this city is one of the worst cities in the country today as far as additional schools are needed. This is the Capital of our great country and yet as Members of Congress we sit here this afternoon and are trying to decide whether to eliminate education that is so badly needed here in the District of Columbia.

I hope the amendment offered by the gentleman from Massachusetts [Mr. BATES] does not prevail. The arguments that he has presented here this afternoon were gone over fully in the District hearings. As our chairman has stated on a number of occasions, the Superintendent of Schools was recalled on four occasions. The architect for the District was recalled on three occasions. He did the best job he could in whittling down the plans for the construction to get them down to the barest minimum. This is not a cure-all for the situation that exists here in the District today. It is only a beginning. If we are going to determine this, we must determine it now and do something and not put it off as we have for the past 4 or 5 years.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. BATES of Massachusetts. Is it not a fact that at the present time there is \$7,000,000 in cash for construction in the fiscal year 1948 in addition to \$2,000,000 in the budget, making a total of \$9,000,000 for the fiscal year 1948, so in the meantime why cannot we await the survey that is being made by the municipal finance committee of the board of trade that is tremendously interested in a proper solution of this problem?

Mr. FOGARTY. As I remember, there are about \$4,000,000 at the present time. The question was asked of our chairman about the shift in population. That was taken up in the committee. The question was taken up of using buses and transportation of that kind. It has been shown in other cities that it is not feasible and not economical. This is one way that we can make a start to give these children a half decent education which they are not getting under the present system.

Mr. BATES of Massachusetts. The gentleman does not mean to infer that there are only \$4,000,000 available for school construction for the fiscal year 1948?

Mr. FOGARTY. No.

Mr. BATES of Massachusetts. There is an additional \$4,000,000 put in in this bill.

Mr. FOGARTY. It is \$3,000,000.

Mr. BATES of Massachusetts. And there are \$9,000,000 available in the budget without the addition that we are now speaking about.

Mr. FOGARTY. No, I think it is about \$7,000,000.

Mr. BATES of Massachusetts. Oh, no.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. CHURCH. The gentleman knows that the membership of our subcommittee after considering all the amounts and the entire Committee on Appropriations after considering the same amounts in the bill before it were unanimously in favor of the amounts contained in this bill.

Mr. FOGARTY. This was a unanimous decision, and we are not giving in this bill half of what they asked for.

Mr. CHURCH. That is right.

Mr. FOGARTY. I trust that the amendment offered by the gentleman from Massachusetts does not prevail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

Mr. HORAN. Mr. Chairman, we notice at this time a printer's error in the bill. I refer to the original committee print which was considered yesterday at page 20, line 6, where the figure \$3,219,230 is carried. When the bill was reported to the House yesterday and sent to the printer it came back with the figure altered to \$1,923,000.

Mr. Chairman, I ask unanimous consent that the correction be made at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HORAN. Mr. Chairman, if there are no further amendments, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Brown of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4106, District of Columbia appropriation bill, 1948, directed him to report the same back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. HORAN. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. HORAN. I ask unanimous consent, Mr. Speaker, that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HORAN. Mr. Speaker, I ask unanimous consent that the two statements from the Comptroller General, which I submitted during the debate, may be in-

serted in the RECORD at the place requested.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

CALL OF THE HOUSE

Mr. MURRAY of Wisconsin. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and thirty-six Members are present, not a quorum.

Mr. BROWN of Ohio. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 105]

Andrews, N. Y.	Dixsen	O'Konski
Bell	Durham	Pfeifer
Bennett, Mich.	Fisher	Powell
Bland	Fuller	Price, Ill.
Bolton	Gifford	Reed, Ill.
Buckley	Granger	Rizley
Byrne, N. Y.	Heffernan	Rogers, Fla.
Clark	Jennings	Shafer
Clements	Jones, N. C.	Sheppard
Cole, Mo.	Kelley	Short
Cole, N. Y.	Kerr	Smith, Ohio
Coudert	Klein	Thomas, N. J.
Courtney	Lynch	Thomas, Tex.
Cox	McCowen	Towe
Crosser	Macy	Vinson
Davis, Tenn.	Mansfield, Tex.	Worley
Dingell	Monroney	

The SPEAKER. On this roll call, 374 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION TO ADDRESS THE HOUSE

Mr. FORAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

DEMOCRATIC CAUCUS, THURSDAY, JULY 10

Mr. FORAND. Mr. Speaker, I wish to announce for the benefit of the Democratic Members that there will be a caucus in this Chamber tomorrow afternoon immediately after the adjournment of the House.

SUGAR ACT OF 1948

Mr. CHENOWETH. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 273 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be

confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. CHENOWETH. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH], and reserve 30 minutes.

I now yield myself 5 minutes.

Mr. Speaker, House Resolution 273 makes in order the consideration of H. R. 4075, which may be cited as the Sugar Act of 1948.

This is an open rule and provides for 2 hours general debate. I understand the bill was reported unanimously, or practically so, by the House Committee on Agriculture.

Mr. Speaker, I will not attempt to explain the details of the bill. This is a new Sugar Act. You will recall that in 1934 Congress passed the first sugar bill which was known as the Jones-Costigan Act. Later, the Sugar Act of 1937 was passed.

The purpose of those laws was to stabilize the sugar industry, and covered all phases, including producing, refining, and importing. The Sugar Act of 1937 has been extended from time to time by continuing resolutions of Congress. This law expires on December 31, of this year. It is therefore necessary to either continue the Sugar Act of 1937 or pass a new law.

Fortunately, all of the different segments of the sugar industry, both producers and refiners, and representing both the cane and sugarbeet groups, have agreed upon this bill. This is a most important piece of legislation. I am sure all of you realize what an adequate supply of sugar means to the economy of this country.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. MASON. What about the consumers? Were they taken in on these conferences and agreements?

Mr. CHENOWETH. I would like to state to the gentleman that unless we have some sugar legislation there will be no sugar for the consumer. So I say this bill is in the interest of the consumer. First, we must produce, refine, and distribute sugar before there will be sufficient supplies for the consumer, including housewives and industrial users.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Michigan.

Mr. DONDERO. It is my understanding that we produce about 27 percent of the sugar we consume. Does this bill provide for quotas on the production of American sugar, either beet sugar or cane sugar?

Mr. CHENOWETH. Yes; it does, on both cane sugar and beet sugar.

Mr. DONDERO. Why is that necessary, when we produce only such a small part of what we consume?

Mr. CHENOWETH. This bill increases the amount of sugar that can be produced in this country, both in the sugar beet and in the cane areas. Personally, I am very much in favor of expanding our domestic sugar industry. One of the first controversies in which I engaged when I came to Washington in 1941 involved an order, issued by the Department of Agriculture restricting the sugar-beet acreage in the United States. That was just a few months before we became involved in war and our foreign sugar supply was cut off. For some reason there has been some hostility in the Department toward the production of domestic sugar and particularly the beet-sugar industry. Surely we have learned how vital it is to produce all of the sugar possible in this country. It is essential to protect and promote our domestic sugar industry. I am satisfied that this bill is in the interests of our domestic industry.

I think the time is here when we should increase the production of domestic sugar. I refer specifically to beet sugar, as I am more familiar with that industry. I may state to the gentleman that the presidents of two beet-sugar companies from Colorado have been in my office recently and both stated that this legislation is necessary. They favor the bill just as it is without amendment. These gentlemen understand the sugar business and they feel this bill does protect the domestic industry.

Mr. DONDERO. The gentleman comes from the greatest beet-sugar-producing area of the United States. If he is satisfied with it I know I can take his judgment in the matter.

Mr. CHENOWETH. I thank the gentleman and appreciate his statement. The gentleman is correct in his observation that Colorado is the greatest beet-sugar-producing State in the Union and I will state to the gentleman that I intend to support this bill just as it is. I feel satisfied that the distinguished gentleman from Michigan, as well as every other Member of the House, will make no mistake in doing likewise.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. CURTIS. In further answer to the gentleman from Illinois in reference to the interest of the consumer it should be borne in mind that a strong and stabilized domestic sugar industry is in the interest of the consumer. The extremely high prices consumers have had to pay for sugar in years gone by have been at a time when we were at the mercy of the off-shore producers. A stabilized sugar industry helps the consumer.

Mr. CHENOWETH. I thank the gentleman for his contribution. He is entirely correct. I think we should do everything possible to protect and promote our domestic sugar industry in order that we may produce the largest amount of sugar possible in this country.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. MILLER of Nebraska. As I understand the bill, it does place a limitation, however, upon the production of domestic sugar.

Mr. CHENOWETH. Yes, but it increases the quota for both the beet sugar and cane areas. I will not say that the beet-sugar industry is getting all it would like to have in this bill. The producers of beet sugar would be glad to get a larger quota. However, this bill represents the very best agreement that can be reached at this time.

Mr. MILLER of Nebraska. We should keep in mind, however, that there is more land coming into production through irrigation which might raise sugar beets.

Mr. CHENOWETH. I appreciate that.

Mr. MILLER of Nebraska. Why should there be a limitation on production?

Mr. CHENOWETH. I believe it is generally understood that the quota for the sugar-beet industry written into this bill will permit some expansion. That is contemplated in Colorado and other States raising sugar beets.

Mr. MILLER of Nebraska. The gentleman is satisfied it will do that?

Mr. CHENOWETH. Yes; I am satisfied it will.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. CHENOWETH. Mr. Speaker, I yield myself two additional minutes.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. BARRETT. I am in favor of this bill, but at the same time I am somewhat concerned about the limitation on production of sugar beets. As I understand the bill, limits the production of sugar beets to 1,800,000 tons.

Mr. CHENOWETH. That is correct.

Mr. BARRETT. Following up the interrogation of the gentleman from Nebraska, I should like to inquire what the prospects may be of increasing the production of sugar beets in this country.

Mr. CHENOWETH. I know the sugar-beet companies are considering new areas, I may say to the gentleman from Wyoming. I suspect this is true in his State. I know it is in Colorado.

Mr. BARRETT. Of course, a good many thousands of acres of new lands will be brought under water in Wyoming during the next year or so. As I understand, our production of beet sugar in 1940 was about 1,700,000 tons.

Mr. CHENOWETH. Yes.

Mr. BARRETT. The limitation under this bill is substantially the production in 1940. While I believe it is a pretty good bill, nevertheless it seems to me that as our population increases, our domestic production should increase correspondingly.

Mr. CHENOWETH. I appreciate the contribution made by the gentleman and I want to say that I share the same apprehension he expresses. I took that matter up with the presidents of two beet-sugar companies from my State and both stated that this bill was the very best that they could obtain. If sugar-beet producers had insisted on larger quotas the result would probably have

been no bill at all. They feel the quotas given domestic beet sugar will be sufficient to take care of their operations for the next 5 years.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. MICHENER. As I understand the gentleman he favors an increase of sugar production in this country.

Mr. CHENOWETH. Yes; I do.

Mr. MICHENER. And he knows that we must have some legislation to do it.

Mr. CHENOWETH. That is right.

Mr. MICHENER. He has not gotten all that he wanted but he has secured in this bill all that he can get, all the legislation that can pass the Congress, and it will be helpful to our districts where we produce sugar.

Mr. CHENOWETH. The gentleman is entirely correct. As I stated at the outset of my remarks, all of those engaged in the sugar industry have agreed upon this bill, and this includes all of the different conflicting groups which heretofore have not been able to agree on sugar legislation. They have now been able to come to an agreement on the bill now before us. It is highly important that we pass this legislation now.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Did the gentleman question the advisability of passing legislation that is to be in existence for 5 years?

Mr. CHENOWETH. There was some difference of opinion on the time the bill should cover. I know one executive in the sugar industry thought that perhaps 3 years would be sufficient, but he finally came to the conclusion that 5 years is more satisfactory. This period is acceptable to all groups. Mr. Speaker, I urge the adoption of this resolution, and I hope the bill will pass without amendment.

The SPEAKER. The time of the gentleman from Colorado has expired.

(Mr. CHENOWETH asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I yield myself as much time as I may require.

Mr. Speaker, my colleague, the gentleman from Colorado, a member of the Committee on Rules for whom I have a very high regard, states that he favors the adoption of the rule. If I were in his situation, representing the great State of Colorado which produces the largest sugar-beet crop in the United States and had the interest of the industry at heart, I might favor the rule and the passage of the bill.

Yesterday the House passed a sweet bill, but it was not a sugar bill. It was very sweet, however, to the big income tax gentlemen, including the officers and officials of the sugar combines, in that it will relieve them from the payment of about three and one-half billion dollars in taxes, while the little fellow will derive penny relief as compared to those who have made great profits who will receive tax reductions running into the thou-

sands and thousands of dollars and who do not need any relief at all.

COST TO AMERICAN CONSUMERS

Mr. Speaker, the pending sugar bill will cost the American consumers from \$200,000,000 to \$300,000,000 annually. While I know some gentlemen will remind me that we passed a similar bill in 1934 for the relief of sugar growers, I cannot refrain from pointing out that it was at a time when all agricultural producers were in a bad plight, suffering from the effects of the Hoover administration, and were on the verge of bankruptcy, and it was necessary then that we extend relief. The Democratic administration extended the necessary aid and relief not only to the sugar growers but to all the farmers of the Nation, and also provided jobs for the sixteen to eighteen million people who were unemployed.

SIXTY MILLION- TO SEVENTY-FIVE MILLION-DOLLAR SUBSIDY

I fully appreciate the gentleman from Colorado is right when he says that the industry and the industrial leaders have agreed on this bill. If I belonged to the gang that compose the American Sugar Trust I, too, would be for the bill, because not only does the bill give a subsidy of from \$60,000,000 to \$75,000,000 but will extend such payments for an additional 5 years, not 2 years as the gentleman from Wisconsin deemed it should be but for 5 years. Well, these 5 years will be profitable to the great sugar trust as well as to the growers; but, unfortunately, they will be expensive to the American consumers.

Years ago sugar was selling for 4, 4½, and 5 cents a pound; today the selling price is 9½ cents a pound and as soon as this bill goes into effect or within a short space of time thereafter I fear sugar will be selling for 10, 11 and even 12 cents a pound.

I fully appreciate that the bill provides and gives authority to the Secretary of Agriculture, who was a former Member of this House, and in whom I have confidence, to carry out the administration of the act, but he is the Secretary of Agriculture and has the interest of agriculture at heart first and all the time, and sometimes unfortunately forgets the interest of the American consumers, the American people, in general.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I wonder if the genial gentleman from Illinois can tell us of any other commodity whose price was held as low as sugar during the war. Can he name one? Did the gentleman ever hear of anyone complaining about the price of sugar?

Mr. SABATH. I am glad the gentleman asked me that question, but considering the cost of production the cane-sugar growers as well as the beet-sugar growers, are making more money and have done better than a great many growers of other crops. The profit is much greater in growing sugar. I do not object that the cane-sugar or beet-sugar gentlemen should be interested in this measure. I have noticed that some of

the gentlemen from Michigan are very much interested in the bill. Naturally, coming from the second largest sugar-beet-growing State, they will vote for the bill and, with the aid of the votes of other Members from States which will be the beneficiaries of this legislation, I know the bill will pass; of that I am satisfied. I am merely giving the membership and the country the facts, feeling that it is my duty to familiarize the membership with the situation which it is facing. I know they are going to vote for it; there will be very few votes against it, and I know the rule will pass. But nevertheless, I cannot help myself and I feel as I have stated, it is my duty to enlighten the House and the country as to the existing conditions and as to what is being done in this Congress to the American people.

Mr. DOMENGEAUX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to my friend the gentleman from Louisiana, who at times does not treat me as fairly as he should.

Mr. DOMENGEAUX. May I call to the attention of my friend the gentleman from Illinois the fact that the processors of Louisiana sugar during the years 1944-45 made a profit of only 2.5 percent according to the records of the Department of Agriculture.

Mr. SABATH. That is on gross sales; gross production?

Mr. DOMENGEAUX. A net profit of 2.5 percent.

Mr. SABATH. On the gross? Well, how much have they made in actual money? How much have they made on the investment? It is not a fact that many of them have made from 10 to 15 percent on the money they have actually invested, on the total business that they have done?

Mr. DOMENGEAUX. That is not correct, sir, insofar as the Louisiana processors are concerned.

Mr. SABATH. Will the gentleman tell me how much money some of the companies have made in Louisiana, in actual money, after payment of taxes?

Mr. DOMENGEAUX. In no instance over 2.5 percent.

Mr. SABATH. I mean, the amount. I cannot make out these percentages. I want the amount; the actual amount.

Mr. DOMENGEAUX. If there is an investment of \$1,000,000, the net profit would not be over 2.5 percent on \$1,000,000. And I know the gentleman can figure that.

Mr. SABATH. On the amount invested or on the amount of business which they have done?

Mr. DOMENGEAUX. On the amount invested.

Mr. SABATH. Well, that is not a very large profit.

Mr. DOMENGEAUX. It is not.

Mr. SABATH. No; if that is the only profit they have made I will say they have not profited so much, but nevertheless you concede that they have done very well in the year 1945-46, and are making money this year as well.

Mr. DOMENGEAUX. I will say this, sir.

Mr. SABATH. Let us be honest with one another as we always are. The gentleman understands what I mean.

Mr. DOMENGEAUX. I would say that the Louisiana sugar industry has had a fair return on its money; I will say that the Louisiana sugar industry has not had the large returns that have prevailed in other agricultural pursuits.

Mr. SABATH. I agree to some extent with the gentleman. I fully realize that agriculture has made great progress under the democratic administration and is still making tremendous profits on all crops. I presume it will be hard for the sugar growers to keep up with the cattle growers and the corn, rye, and wheat growers, especially when corn, rye, and wheat are selling above \$2 a bushel. I know a time when they would have been pleased if they got \$1 a bushel. Now they are receiving more than double that amount for all crops and for livestock as well. So I concede that sugar has not kept pace with the tremendous profits of other farmers. I do not deny the farmers their profit. I am concerned with the profits of the Sugar Trusts, that do not grow the sugar beet or the sugarcane. They are the men that are making these tremendous profits, and they are mulcting the American consumer and will continue to do so. A stop should be put to that activity on the part of the few men who control this industry.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Illinois.

Mr. MASON. The 2½-percent profit was not made by the farmers, it was made by the processors. That is a different thing. There are people who are engaged in refining the sugar after the farmer has produced it and hauled it to market. The farmer has not been making more than 2½ percent.

Mr. SABATH. I thank the gentleman for enlightening me and also answering the gentleman from Louisiana.

FREE ENTERPRISE

Mr. Speaker, I know that many of the Members are at all times interested in urging free enterprise and support legislation to make industry free from controls. Well, surely the sugar industry or any other industry has not suffered because of controls or from the subsidy aid and assistance which they have been receiving from the Government during the last 14 years. If they will investigate the sugar combinations that are demanding this legislation, they will come to the conclusion that it is not the Government, but these combinations and other organized groups, which restricts free enterprise.

The only redeeming feature of this bill is the provision which gives the Secretary of Agriculture the authority which he may exercise to prevent the sugar combinations from withholding sugar from the market and which will serve as a check on improper distribution through black-market channels.

Before concluding I wish to say that the public was denied the opportunity to appear at hearings in opposition to the bill, but the large interests were privileged to voice their demands and to urge the favorable reporting of this lopsided bill. Yes, this bill will further increase the high cost of living and I wonder when the majority will cease in advocating

legislation which will impose still greater burdens upon the consumers and wage earners of this Nation.

Mr. Speaker, I know the former chairman of the Committee on Agriculture, the gentleman from Virginia [Mr. FLANNAGAN] will point out more fully the inequities of this bill, how certain provisions protecting the rights and interests of labor have been eliminated, and how provisions safeguarding the interests of the sugar trusts have been included in the bill.

I shall not take up any more time, feeling that there is no need for me to delay this painful operation on the American consumers, but will leave to other Members the explanation of the unfair provisions of the bill and its effect upon the pocketbooks of the housewives of the country. Mr. Speaker, I reserve the balance of my time.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. CHENOWETH. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, we do not produce one ounce of sugar beets in my congressional district, nor do I have a sugar refinery in the district. I am interested in securing an abundance of sugar for the American people at the lowest possible price. I believe this legislation will help bring that about.

I was interested in the comment made by the distinguished gentleman from Illinois [Mr. SABATH], because, if my memory serves me right, he stood on this floor in the thirties pleading for the passage of a similar bill that was much more restrictive on production than this legislation.

Mr. SABATH. The gentleman means in 1934?

Mr. AUGUST H. ANDRESEN. In 1934 and 1937.

Mr. SABATH. Yes, and in 1937. I did it in the interest of the American people and in the interest of the poor sugar growers, who were in straits then due to a Republican administration under President Hoover.

Mr. AUGUST H. ANDRESEN. I am certainly glad for that contribution. I hope that he will always act in the interest of the American people.

The gentleman says that he does not belong to the gang that will be the beneficiaries of this bill. Let us see just how that works out. The gentleman from Illinois says he does not belong to the gang. Who is sponsoring this bill? The State Department. Does he belong to the gang that runs the State Department? He claims to belong because the State Department is cutting the duty on all commodities which will bring free trade for American agriculture and labor. Does he belong to the gang that runs the State Department? I assume that he does, and he is proud of it. They are supporting this bill. The Secretary of Agriculture, who is also a member of the gang to which the gentleman professes allegiance, is also supporting the bill.

I assume with the Secretaries of the State Department, the Department of Commerce, the Department of Agri-

culture—all three high distinguished Democratic members of the Cabinet belonging to the gentleman's party—that the gentleman is also supporting the legislation. Now, what about that?

Mr. SABATH. I would like to correct the gentleman. I am not at all times on all fours with the State Department. When I spoke about the gang, I did not mean the farmers or growers; I meant those who contract for the sugar beets and give the producers so much per ton.

Mr. AUGUST H. ANDRESEN. The gentleman's administration is for this bill and is urging Congress to enact it into law to take the place of the last Democratic act which the gentleman himself sponsored and put through the House of Representatives in 1937.

I do not particularly like legislation that may sometime place restrictions on American production. At the moment, and probably for the next 2 or 3 years, this bill will not place a restriction on the production of sugar beets and sugarcane in the United States in areas.

But what is the need for this legislation and why am I forced to vote for it and support it? Do you recollect that back in the 1930's when the late President of the United States and his administration put through legislation, in the name of securing world peace, tariff duties were reduced on hundreds of American-produced, manufactured farm products? Yes; they did it, and they did it on sugar. They cut the duty on sugar in two, so that it was virtually impossible for any American producer of sugar to continue sugar production in the United States. The sugar act was approved in the thirties, and I supported it reluctantly because I felt it was proper to protect and encourage sugar production in this country. I was forced to support the act of 1937 because it did restore sugar production in this country. I supported that legislation then and, therefore, I am supporting it now in order to save our producers in the United States so that they may continue to produce sugar in competition with cheap production from other countries.

Mr. GILLIE. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. GILLIE. Was not the tariff reduced in the thirties?

Mr. AUGUST H. ANDRESEN. Yes, sir.

Mr. GILLIE. That is when the big sugar plant in my district went out of business.

Mr. AUGUST H. ANDRESEN. Oh, we had a number of sugar-beet factories throughout Indiana and Ohio that went out of business because they could not continue to produce in competition with the cheap production from other countries.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. JENKINS of Ohio. I should like to remark that I consider the gentleman the most expert individual in the House of Representatives in reference to the production and marketing of sugar because I know that he is in a position to have given it a great deal of study.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

Mr. JENKINS of Ohio. I should like to ask the gentleman a question. As the gentleman knows, he and I have been together in many meetings and have been associated together many times although I have not been with him lately, but may I ask him: Does this bill do what we tried to do 6 or 8 months ago to bring about a greater and wider production of sugar and a greater opportunity for the consumers of this country to get more sugar?

Mr. AUGUST H. ANDRESEN. Yes; the bill provides for increased production. Personally I would prefer to have the law written for 3 years instead of 5 years. But the industry and the producers, have agreed to have it 5 years. I do not think it is binding on another Congress, so that inside of 2 or 3 years, if the Congress wants to review it and if they find our production has gotten up to the quotas which have been assigned, then we can change it.

Mr. JENKINS of Ohio. It is a fact, is it not, that the gentleman's studies and our studies show that there was potential power in this country sufficient to bring to the people plenty of sugar if we administered and followed it through properly?

Mr. AUGUST H. ANDRESEN. There is no question about that.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. MURRAY of Wisconsin. Does not the gentleman think it would be desirable to limit it to 2 years? Then we will not be in any political campaign and we will have an opportunity to reevaluate many of the factors involved, because this is a complicated piece of legislation.

Mr. AUGUST H. ANDRESEN. There is no question about that. Possibly, under general debate I will have a little more time and will go into that feature.

I want to point out another erroneous statement made by the gentleman from Illinois [Mr. SABATH]. He said this would cost the American consumers between two hundred and three hundred million dollars a year. As a matter of fact, the tax on sugar is one-half cent a pound, or 50 cents per hundred. That yields around \$70,000,000 a year. Of this sum approximately \$55,000,000 is paid to producers, and around \$15,000,000 goes into the United States Treasury and becomes a part of the general revenues of the country. So that there is no exorbitant additional cost to the American consumers because of this act. It does encourage production. Therefore, I trust the rule will be agreed to, and the bill passed.

The SPEAKER. The time of the gentleman from Minnesota [Mr. August H. ANDRESEN] has expired.

Mr. CHENOWETH. Mr. Speaker, I yield the gentleman two and one-half additional minutes.

Mr. AUGUST H. ANDRESEN. I think we should fully understand this act and what it does about production in this country. In the first place, in 1935, the sugar-beet producers of the United States produced 1,541,000 short tons of beet sugar. This year it is estimated they will produce 1,700,000 short tons. The quota assigned for sugar beets in the United

States by this bill is 1,800,000 tons, so that there can be an expansion of the sugar-beet acreage in the United States. That expansion, of course, will be largely determined upon the refining capacity of the refineries to take care of the sugar beets that are produced in the United States. We will assume that after this bill goes into operation, and for next year's crop the farmers would produce more than 1,800,000 short tons of sugar. They could store the extra sugar until the following marketing year, so that there would not be any waste or destruction of sugar such as we experienced with potatoes in the United States during the past few months. That sugar could be kept for another year. The same is true of the production of cane sugar in Louisiana, Florida, and other areas. It also gives an increase to the sugar producers of Hawaii, and leaves the sugar producers of Puerto Rico in about the same production status as they are at the present time.

In my opinion, this is the best bill we can bring before the Congress on a very vital subject that is of great concern to the consumers and producers of this country.

The SPEAKER. The time of the gentleman from Minnesota [Mr. August H. ANDRESEN] has again expired.

Mr. CHENOWETH. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, I shall support this bill. It is not ideal. It is not everything that we might hope for, but as has been so well said, it is the best we can do at this time.

A great many interested parties, representing various factions and sections, have agreed upon it. Like most other Members from sugar-producing areas, I have worked and striven for a program of greater production of sugar within continental United States. Until we attain that, the consumers of America are always going to be short of sugar in time of war or other national emergency. The American market belongs to the American farmers.

This is a complex problem. It did not arise within the last few years. It has been a number of years in the making.

The mistake was made when in the Wilson administration the Underwood tariff was passed lifting or removing the quota of Philippine sugar coming into the United States. It resulted in driving the Philippine Islands into a one-crop economy, and a one-crop economy is not good for any section or any country. The sugar problem in America commenced to grow worse from that time until it became necessary to pass special legislation in regard to the production of sugar. First we had the Jones-Costigan Act, later the Sugar Act of 1937 which in effect required the Secretary of Agriculture to determine how much sugar we would need in a given year and then to allocate the right to produce that sugar to various sections and groups, according to that percentage formula set forth in the act.

I think the Congress of the United States made a mistake in the passage of the Philippine Trade Act of last year. Those who served on the committee that

considered that bill know my position on that and how hard I worked to get the quota for the Philippine Islands cut down not only for our good but for their good. We have again started the Philippine Islands back on the road to a one-crop economy and we have not done them any good in the long run. But all that is past. The Eightieth Congress is not responsible for that. It cannot be changed because that act stands as a treaty and it cannot be changed by this Congress.

This bill before us today will do better than the 1937 act. I happen to live in a territory that not only produces sugar beets, but we have a great section that is just beginning to produce sugar beets. More farmers and more communities want the opportunity to produce sugar beets. I have taken this matter up with interested parties in the newly irrigated sections of Nebraska and the best information I can get is that they will come nearer realizing their hopes with this bill than without it. It does not give them all that they ought to have, it does not give them all they want, but it is some progress, and for that reason I shall support the measure.

I believe that this bill is in the interest of the consumers of the country. There is nothing that will increase the price of sugar to the consumers as much as a policy of depending upon offshore sources for our sugar. This act will also enhance the Treasury of the United States to the extent of possibly \$15,000,000 or \$16,000,000.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. MILLER of Nebraska. The gentleman is making a very fine statement on sugar. I know he has new lands in his district coming into production. He knows my concern. I expect to support this bill because it seems to have the support of those best informed. It will increase by about 100,000 tons the amount of sugar that we were normally producing. We have lost sight of the fact that the population of this country is increasing at the rate of about 2,000,000 a year. In 5 years that means an increase of 10,000,000. As a matter of fact, when you look into the increased production of sugar the 1,800,000 tons is actually a decrease when compared to the increase in population.

Mr. CURTIS. I thank the gentleman. It is with much reluctance that I shall support this bill. It is some improvement, but it is not nearly what it ought to be. It does not permit free and unrestrained expansion of our domestic sugar production. I think that it should.

The SPEAKER. The time of the gentleman from Nebraska has expired.

(Mr. CURTIS asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. Mr. Speaker, the House heard me very patiently when I spoke under a special order last week in behalf of a bipartisan peace policy that would have the united support of both of the great political parties of this Nation. In the discussion which followed a number of Members from both sides of the aisle agreed that an attempt should be made to develop a bipartisan approach to foreign-policy problems. I think it is a wholesome development that the House of Representatives is now recognized as a contributing factor in our evolving foreign policy. We share responsibility with the Executive and the Senate in many phases of legislation for peace.

Today the gentleman from Minnesota [Mr. JUDD] and I are introducing a resolution designed to strengthen the United Nations, and in line with our ideas regarding cooperation between the parties we are stressing its bipartisan character. We are joined in this action by four Members on the Republican side of the aisle, and four of my colleagues on the Democratic side.

I shall yield some of my time to the gentleman from Minnesota after reading the resolution which is sponsored on the Democratic side by the gentleman from New York [Mr. BYRNE], the gentleman from Tennessee [Mr. KEFAUVER], the gentleman from South Carolina [Mr. RICHARDS], and the gentleman from Montana [Mr. MANSFIELD].

The resolution is as follows:

Whereas all the world deeply desires durable peace; and

Whereas the United Nations was created as an instrument to preserve the peace of the world; and

Whereas experience increasingly indicates that the United Nations in its present structure is not fully adequate for this task; and

Whereas the United Nations Charter in its article 109 provides a procedure whereby the Charter of the United Nations may be revised and amended: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President of the United States should immediately take the initiative in calling a general conference of the United Nations pursuant to article 109 for the purpose of making the United Nations capable of enacting, interpreting, and enforcing world law to prevent war.

Mr. Speaker, I now yield to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, as my friend and colleague from Arkansas has stated, some of us have been working on this concurrent resolution and the idea behind it for a long time. It came to a head when we were dealing with the Greek-Turkish aid proposition. It became clear to all that the United Nations, the very organization set up to prevent war and maintain peace, on which the world had pinned its confidence and which, I believe, gives us our only real hope of achieving the things for which we fought two wars, could be used whenever one of the Big Five wanted so to use it, not to make peace but to block the making of peace. This was and is an intolerable situation. We are faced with only three alternatives.

One is to scuttle the United Nations, abandon it entirely. That, at least, would be honest. The second is to con-

tinue giving lip service to it and use its machinery for marginal, relatively secondary matters; but when we face a really vital issue, find ourselves compelled to take direct action, bypassing the UN machinery because it has not the men nor the money nor the authority to act itself—in fact, it is so constructed that one of the Big Five, if it so desires, can use the machinery to prevent the making of peace, the very thing the organization was supposedly set up to foster and promote, yes, guarantee.

I am sure the deep desire of the great mass of the people of this country and of the world as well as of the Members of the House of Representatives and the Senate is not to abandon or scuttle it, or to bypass it, but rather to fix it, to get its structure modified so that it can and will work. We must endeavor to get a world organization which will work with Russia if she is willing to come along, but without her if she is not willing. The great majority of the people of the world want peace and is willing to pay the price for it. It is a betrayal of them and of our own dead not to exert every possible effort to improve, modify, and correct the machinery of the United Nations so that it can deal with and dispose of whatever disputes come up to threatened peace. That is all this resolution is designed to do.

I know no better way to revive our hopes and the world's hopes for peace than by starting action now on the only practical method whereby we can take concrete steps toward getting a better international organization.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. CHENOWETH. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. JUDD. Mr. Speaker, the gentleman from Arkansas has mentioned the name of his Democratic colleagues who joined him. Those on the Republican side who have joined me in introducing identical resolutions are the gentleman from South Dakota [Mr. MUNDT], the gentleman from Maine [Mr. HALE], the gentleman from Pennsylvania [Mr. MUHLENBERG], and the gentleman from California [Mr. NIXON]. I have since spoken to a dozen others who said they approved the resolution wholeheartedly and would be glad to participate; but we thought probably the best thing to do was to have the resolution actually introduced by each of the first five from each party who volunteered, as a means of getting it before the Congress and calling the attention of the country to it.

A similar concurrent resolution, with different wording but essentially the same objectives, is being introduced in the Senate today, I understand, by Senator FERGUSON, of Michigan, on behalf of himself and four Republican colleagues, Senators TOBEY, BALDWIN, CAIN, and FLANDERS, and five Democratic colleagues, Senators BYRD, O'MAHONEY, McMAHON, TAYLOR, and SPARKMAN.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from South Dakota.

Mr. MUNDT. I think it is well to emphasize the fact that not only is the

United Nations at present fumbling along with comparative futility on the big major problems, such as the establishment of a police force to protect the security of the world and meeting the challenge of the atomic bomb, but there are innumerable little discrepancies which have developed from experience which need to be clarified and eliminated. Just recently it was called to my attention that the selection of American citizens to serve on the United Nations Commission is taking place without the approval of the State Department. Some American citizens were selected by the United Nations Commission, allegedly representing our interest, who have not been certified or even approved by the State Department.

Mr. JUDD. Yes; there is good reason for confidence that now on the basis of the experience of the last 2 years we can evolve more successful and workable and practical formulas than was possible at San Francisco.

Mr. MUHLENBERG. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Pennsylvania.

Mr. MUHLENBERG. If I could make a single observation, it seems what we are trying to do now is to establish a policy that we will follow in leading toward the success of the United Nations, and that our effort to establish a policy is a thing that this resolution points to.

Mr. JUDD. Thank you. In order to do that the resolution is carefully drawn so that we do not, in advance of the general conference we urge the President to call, commit ourselves to any particular amendment or revision, any particular specific remedy. We merely recognize the obvious fact that as presently constituted the United Nations is not doing the job that most people thought it was set up to do. It contains within its own charter provision for calling a general conference to amend it so that it can work.

Our resolution is not a vote of non-confidence, a condemnation of the United Nations idea. Rather, it is a re-avowal of our faith in the essential idea and objectives. We want the governments of the world to come together, those who want peace and desire peace, to see if we cannot correct the defects or weaknesses, just as our own Articles of Confederation had to be modified, and as we are in the process every day of modifying our laws on the basis of practical experience.

If some nation, for example Soviet Russia, refuses to cooperate in making necessary revisions, then at least the air will be cleared. If her major objective is security, then this is the way to strengthen the United Nations so that it can become able to guarantee her security and ours, and every other peaceful country's. If she refuses to cooperate, then we can know that her real objective is not security but conquest. We devoutly hope the latter is not the case; but if it should be, then it is better for everyone to have that fact clearly known.

We hope all of you will approve and support this resolution.

Mr. Speaker, I wish to include the following press release which we have prepared:

PRESS RELEASE

A biparty group of United States Representatives today introduced a concurrent resolution asking the President to call a convention to strengthen the United Nations under article 109 of the UN Charter.

Experience of the last 2 years has convinced the members of this group that the UN needs strengthening if it is to preserve world peace. Therefore they are asking the President to take the initiative in making the UN capable of "enacting, interpreting and enforcing world law to prevent war."

The sponsors believe that the United States direct action in offering aid to Greece and Turkey and in the matter of European rehabilitation—not to speak of American reluctance to place the international control of atomic energy in the hands of UN Security Council—shows clearly that the UN is not—in its present form—adequate to cope with the stresses and strains of a divided world.

At the same time, debate on the aid to Greece and Turkey bill, they claim, showed not only a general belief among Members of Congress that the United Nations is our only hope for peace, but also a very strong tide of opinion in favor of strengthening the United Nations to enable it to do its job.

Public opinion polls have shown over 60 percent of the people in favor of giving the UN powers adequate to prevent war (Fortune poll). Fifteen State legislatures have passed resolutions calling for substantially the same thing.

Various communities are coming out overwhelmingly for a transformed and strengthened UN. It is time we acted, they say, particularly since the initiative for such a move ought to come from the United States. Amendment of the Charter has wide support abroad, according to them. Britain, France, and China, as well as many smaller countries, have indicated their readiness to accept changes, but American leadership is the prerequisite because of this Nation's position in world affairs.

The sponsors believe that there is no surer way of determining whether the Soviet Union is bent on conquest than by learning whether she would be willing to go along with other nations in creating a United Nations which could guarantee her security.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Speaker, I rise to make the statement that I am in accord with H. R. 4075, as I believe this legislation is the proper method to promote more sugar for the entire country. I believe this is the first time that the sugar-cane-people and the sugar-beet people and the processors are all in accord on one piece of legislation. For that reason I feel that it will have a tendency to produce more sugar. I am not fearful of the increase in price. I believe the supply and demand will take care of that phase of whatever argument might be injected into the picture a little bit later. But, I believe the bill will do a good job and I want to compliment the chairman of the committee [Mr. HOPE] and the members of the Committee on Agriculture in bringing a bill to the House here that the processors and the growers of sugar beets and sugarcane are practically in accord on, and I believe that the bill will bring more

sugar to the consuming public of this Nation.

[Mr. CRAWFORD addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. CHENOWETH. Mr. Speaker, I yield the balance of my time to the gentleman from Wisconsin [Mr. MURRAY].

Mr. SABATH. Mr. Speaker, I yield 4 minutes to my neighbor, the gentleman from Wisconsin.

The SPEAKER. The gentleman from Wisconsin [Mr. MURRAY] is recognized for 5 minutes.

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Speaker, this sugar legislation includes everything that I think I have heard every Member of Congress say that he does not believe in. So this will be a case of voting for a bill which includes everything that you know everybody is against.

Among the things that are in the bill are fixed prices, and our distinguished colleague, the gentleman from California, does not need to tell us about supply and demand and the regulating of prices because that power has been given to the Secretary of Agriculture.

The bill contains quotas. It has more quotas in it than all the holes that can be found in any Swiss cheese ever made in the State of Wisconsin. It is full of quotas from one end to the other. It even goes so far in the matter of quotas that they have a quota on the amount of refined sugar, if you please, that can go from one part of the United States to another part of the United States, that is, if you still think that Puerto Rico is a part of the United States.

The reason I suggested a couple of times that we ought to limit this bill to 2 years is that if the Hawaiian Islands become a State of the Union we are going to be in a sort of embarrassing position when they do become a State. This bill tells one part of the United States that they can ship only so many tons of refined sugar into another part of the United States. Certainly, we are going to be embarrassed then. It is not right to limit the amount of sugar that Puerto Rico and Hawaii can refine. I hope this provision of the bill is eliminated.

Then, we have processing taxes. We have heard a lot about processing taxes. We are supposed to be against processing taxes, but the bill has processing taxes in it—one-half cent per pound. The consumer pays most of it in lieu of an additional duty.

Not only has it processing taxes, but here is another thing that is bad for my Republican colleagues. It has subsidies in it, and they are all supposed to be against subsidies—every single one of them. I know that my Democratic friends are also against subsidies unless they go to the right places.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to my friend from California.

Mr. ELLIOTT. Do you favor the bill and are you going to vote for it?

Mr. MURRAY of Wisconsin. I do not expect to vote for it in its present form; no, sir. I will tell you the feature of the bill that I will not vote for. I know that up to this time when the Seventy-sixth Congress passed a bill which would not allow tobacco seed to go out of the United States to people in other parts of the world who were raising tobacco to compete with ours, we raised a trade barrier which was the worst that was ever erected in the history of the United States. But this one is the worst one. There is a worse trade barrier here than the one I just mentioned. When you go to telling the people in a part of the United States that they can ship only so many tons or pounds of refined sugar into another part of the United States, then we have gone a long way down the road and much farther than I could agree to go.

Another reason that I would not vote for the bill in the form that it now is in is because of a mistake—and I am sure it must be a mistake because there is nobody in the world who would leave out that little section that was in the bill last year which protected the man who worked out in the fields. Remember, this bill takes care of the processor. It takes care of the producer, and it is supposed to take care of the consumer, but we leave the fellow out who works out in the field and in the hot sun. We leave him out altogether. I cannot figure out why the fellow who works out in the sun has one set-up and then the fellow who works inside of a building has another set-up. The man who works out in the sun does not get any vacations and he does not get any social security, and he does not get any of those things. But you know they are going to try to correct it, and they have seen the error of their ways and have recognized their sins and added that in because they have put that in the bill now, and a committee amendment is going to be offered to take care of the fellow who works out in the sun.

You know, it might be all right to tell Mr. Petrillo that he should not have so much power and to say that someone should or should not play a fiddle when you want to sing God Bless America. But here in this bill one segment of the American people is picked out and not protected. We are going to protect the producer and are going to protect the processor and going to protect the consumer, and then say, "But you boys who work out there in the fields are all right because we just know that you will get your benefit out of the sunshine and you will get part of your compensation from the sunshine."

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I desire to call the attention of the House to a very serious omission in this bill. It eliminates entirely the protection that has existed in other sugar acts, two very fundamental guaranties for sugar workers. One guaranty was that no producer could receive any benefits under the Sugar Act unless payment was made in full to the sugar worker. There are some States where the law does not give

a guaranty of full payment to the sugar worker. In Puerto Rico there is no law providing for such guaranty. So that if the worker is not paid in full in those States or in Puerto Rico, he has no recourse. Because of that, we have had in all sugar acts heretofore enacted a provision guaranteeing full payment to the workers before the producer could receive any benefits under the act.

Then, that same section of the Sugar Act also provided that sugar workers were to be paid a fair and reasonable wage. This fair and reasonable wage was to be fixed by the Secretary of Agriculture after investigation and after making determinations. That, too, has been eliminated from this bill.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. HOPE. The Committee on Agriculture this morning authorized the chairman to offer a committee amendment to the bill at the proper time, which will, as far as the cane-producing areas are concerned, take care of the situation which the gentleman mentions.

Mr. MARCANTONIO. Will that cover the workers in Puerto Rico?

Mr. HOPE. That will cover the workers in Puerto Rico.

Mr. MARCANTONIO. May I ask the distinguished chairman of the Committee on Agriculture, for whom I have great respect, just why is not the language of that section of the present law carried in this bill? Secondly, is the committee amendment which will be offered in any manner different from the section that exists in the present law?

Mr. HOPE. Answering the second question first, the language which will be offered as far as the provisions relating to fair wages and fair practices is concerned, will be identically as it is in the present law. There will, however, be this limitation, that those provisions will not apply in areas where less than 5 percent of the sugarcane or sugar beets is produced by processors; and with the further limitation that the Secretary shall put the provision into effect when a substantial number of either producers or workers or processors request it. I am sure that as far as Puerto Rico, and the other cane-producing areas are concerned, there is no question but what the provision will be applied and it will be identically the same as the provision in the present law.

With reference to the other question which the gentleman asked, I can simply say that the committee considered the matter of including these provisions which, as the gentleman knows, in the present act, are not arbitrary provisions, but they are conditional provisions. That is, they must be complied with before the producer receives his subsidy payment from the Government. There was some difference of opinion in the committee on that point but the difference was finally resolved by the compromise amendment which will be offered when the bill comes up on the floor.

Mr. MARCANTONIO. One other question, if the gentleman will permit: Was this provision eliminated as a result of the recommendation from the Department of Agriculture?

Mr. HOPE. As far as the Department of Agriculture was concerned its representatives endorsed the proposed bill which did not contain that provision. The Secretary of Agriculture appearing before the Committee endorsed the bill in the form in which it was submitted by the Department without this provision. While I cannot quote his exact language he stated in effect that he had no objection to the language if the committee desired to put it in, but he was not insistent upon the inclusion of that language.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include at this point a statement on this question by the representative of the International Longshoremen's and Warehousemen's Union, CIO.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

(The statement referred to follows:)

STATEMENT OF THE INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION—CIO—BEFORE THE HOUSE AGRICULTURAL COMMITTEE ON THE SUGAR ACT OF 1948

(By William Glazier, Washington representative, ILWU)

The International Longshoremen's and Warehousemen's Union is the collective-bargaining representative for practically all of the sugar workers in the Hawaiian Islands. As an organization with a real stake in the sugar industry we appear before the committee today to present our views on the bill entitled "The Sugar Act of 1948," and specifically on the absence of certain provisions which were so significant in the philosophy and administration of the Sugar Act of 1937. These are embodied in section 301 of the present act.

When the late President Roosevelt sent his message to Congress on March 1, 1937, recommending a new sugar act he listed the various groups which would find protection under the act, as they had under the old Jones-Costigan Act. These were the consumers, the growers, the processors, and the workers.

He had this to say about the men, women, and children who labor in the sugar fields:

"It is also highly desirable to continue the policy, which was inherent in the Jones-Costigan Act, of effectuating the principle that an industry which desires the protection afforded by a quota system, or a tariff, should be expected to guarantee that it will be a good employer. I recommend, therefore, that the prevention of child labor and the payment of wages of not less than minimum standards, be included among the conditions for receiving a Federal payment."

These provisions were, as you know, embodied in title III, section 301, paragraphs (a) and (b) in the Sugar Act of 1937.

But of these provisions, only the child-labor provision is included in the Sugar Act of 1948 proposed to this committee by Secretary of Agriculture Anderson on June 21. An act which protected the several interests in the sugar industry, growers, processors, workers, and small farmers would be replaced by a bill to benefit the few.

This is a departure from the spirit of the Sugar Act of 1937 and its very purpose. It is we feel a shocking emasculation of one of the most important social and economic provisions of the old act.

There can be no excuse at a time when the cost of living in the United States and the offshore domestic producing areas is at

all-time peaks for dropping a provision which guarantees that workers in the cane and beet fields be paid a minimum wage.

It is our understanding that a spokesman for the Department of Agriculture stated here that since all segments of the industry were in favor of discarding this provision the Department had no objection.

However, neither the workers nor the small farmers who are protected under section 301 were ever consulted. They, too, are a part of the sugar industry, and since they are so directly involved one would have imagined that the Department of Agriculture would have consulted the organizations representing these people. This was not done.

Instead this new Sugar Act was drawn up by the Department in consultation with certain domestic sugar producers and presented to this committee.

LABOR PROVISION

The present labor provision has two parts. It makes clear, first, that all workers shall be paid for work performed; and, second, that they shall be paid not less than rates declared fair and reasonable by the Secretary of Agriculture.

As for the first of these points. I have before me a report on labor migration. This analyzes certain labor laws applicable to agricultural labor in the significant sugar producing States. In the following States there are no provisions for State aid in the collection of wages: Colorado, Florida, Idaho, Iowa, Kansas, Louisiana, Minnesota, Montana, Nebraska, North Dakota, Ohio, and Washington. The Territory of Puerto Rico likewise lacks any provision for State aid in wage collection by agricultural workers.

Agricultural workers were guaranteed with the passage of the act of 1937 that the abuses of nonpayment or incomplete payment would be eliminated. The new act does away with this protection.

The labor provision of the 1937 act, as you know, made the payment of fair and reasonable wages a condition for the receiving of payments under the act.

This represented a new approach in the treatment of agricultural workers, and what is more significant, in the treatment of labor in an industry with tariff protection.

For many years protective systems have been defended on the ground that labor shared in the benefits derived by industry from such protection. Under the Sugar Act of 1937 a portion of such benefits is for the first time specifically reserved for workers.

The significance of this cannot be overstressed. The Sugar Act of 1937 explicitly recognized that agricultural laborers are entitled to share in the benefits provided by our national farm programs and by the protective tariff and subsidy measures adopted by the Federal Government.

The proposed bill throws all of this into the dust bin.

During the war years, because of competition for a very short supply of labor, growers in most areas found it necessary—as they had not in former years—to pay wages higher than those required for compliance under the Sugar Act. The prescribed rates served less as prevailing wages than as a protective minimum.

At the same time these prescribed rates served as a stabilizing factor since the wage rates announced in 1 year were based generally on standards used in other years.

Removing this provision at the present time in a period of increasing supply of labor and keener competition among workers for jobs is an open invitation to wage cutting.

The term "fair and reasonable" in this section has been related to the benefits of the act. The main consideration has been the allocation to wages of a customary share or percentage of the gross returns per

acre or per ton of beets. In the past, changes in the minimum wage have been allied closely to changes in gross returns per acre or per ton of beets although other factors, such as changes in the cost of production or in cost of living are given consideration. This is in contrast with the minimum wage determinations in other employments; in these employments, certain minimum standards of wages, determined independently of gross returns or other criteria of the economic status of employers, are usually the overriding consideration.

For example, from 1939 to 1945, under these wage determinations the hourly rates in sugar-beet farming in Washington and California increased 39 percent for thinning, 46 percent for harvesting, and 60 percent for hoeing. Composite farm rates rose 251 percent in Washington and 179 percent in California over the same period.

Yet, despite these limitations the sugar field workers have had the assurance that before their employer received any payments from the Federal Government they, the workers, would have to be paid and at a rate approved by the Department of Agriculture.

This protection, flimsy as it was, would be denied the sugar workers under the new bill.

Instead of agreeing to destroy this single guarantee, it would be more to the point for this committee to investigate means of strengthening this section of the Sugar Act.

For example, one might suggest establishing standards under which the workers would benefit from and share in the technological development in the industry. And in the actual determination of wages it might be profitable to have area committees composed of growers and workers with a representative of the Department of Agriculture present. These committees could make the recommendations out of their own practical experiences and relationships for a given area and a given crop. In this manner you could have greater local interest and participation in the establishment of the fair and reasonable wage.

This is, I know, a sugar bill and not a labor bill. And I shall not belabor the point. I cannot move on, however, without pointing out that when Mexican workers came into this country during the war, the contract between our country and the Mexican Government provided that the Mexican workers receive medical attention, transportation, and even set minimum weekly earnings. American agricultural workers have never enjoyed such contractual benefits.

Incidentally, when I speak of agricultural workers in this context, I am referring not only to the workers employed on beets, but the many small farms in Florida and Louisiana who supplement their income by working in the cane fields during the harvesting period.

This leads me to another part of section 301 that has been discarded under the new bill.

Section 301 (d) provides that grower-processors who intend to apply for Federal sugar payments are also required to pay fair and reasonable prices for cane or beets bought from other growers. This paragraph was included for the protection of small farmers.

Processor-producers grow a substantial part of all domestic sugarcane and receive relatively large conditional payments. Consequently, the terms of the fair-price determinations become the general basis for the purchase of sugarcane.

Small growers who are assured protection under the Sugar Act have been stripped by the new bill.

I have confined my comments to the deletion of paragraphs (b) and (d) from section 301. We urge that if the committee takes favorable action on this bill that it include the present minimum wage and processor-grower provisions. To delete these provisions

at this time at the request of the domestic beet-sugar producers would be vicious and discriminating.

Mr. CHENOWETH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4074, the Sugar Act of 1948, with Mr. CUNNINGHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Kansas [Mr. HOPE] is recognized for 1 hour and the gentleman from Virginia [Mr. FLANNAGAN] is recognized for 1 hour.

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Kansas is recognized for 10 minutes.

Mr. HOPE. Mr. Chairman, the present Sugar Act will expire on December 31 next. This means that if we are going to operate under the quota plan such as we have had in effect since 1934 in some form or other that we will have to enact legislation during this session. Until a short time ago it appeared that it would not be possible to present a new bill at this session and with that in mind I introduced a bill to extend the present act for 1 year thinking that new legislation would have to await the next session of Congress.

However the Secretary of Agriculture was very anxious to see the enactment of new legislation, particularly because of the fact that the present act provides that if the Philippine Republic was not able to supply its quota of sugar the deficit must be allotted to foreign countries other than Cuba. It was the desire of the Secretary and the administration that Cuba be permitted to absorb the Philippine deficit, not only because Cuba has greatly expanded its production of sugar during the war period, but in recognition of the fact that our relations with Cuba during that time in connection with the purchase and supply of sugar had been carried out in a very cooperative and helpful manner. There was also some question as to whether foreign countries other than Cuba could supply the Philippine deficit, at least for the next year or so. Therefore the Secretary of Agriculture recommended

against extension of the present law and expressed the hope it would be possible to enact new legislation.

At his urging the producers, the processors, and the importers of sugar got together with the Secretary to see if some agreement might not be reached for new legislation. As the discussions proceeded conferences were held with the Secretary of the Interior and with representatives of the State Department. As a result of these meetings and conferences a bill was drafted which was submitted by the Secretary of Agriculture to the Congress. At that time Secretary Anderson stated that the proposed bill had the approval of the Interior Department, the State Department, and the administration. That bill with certain amendments is the one which is before us today as H. R. 4075.

Mr. CHAIRMAN, in large part this bill is simply a reenactment of existing law on the subject of sugar quotas. There are a few significant changes to which I wish to call attention in the brief time I will take. Perhaps the one of greatest interest is the allocation of quotas. Under existing law each producing area, both domestic and foreign, from which we had been securing a substantial supply of sugar was given a percentage quota. That plan is not followed in the present bill as far as the domestic producing areas are concerned. Each domestic producing area is given a flat quota of so many tons of sugar during the life of this legislation, which is 5 years. Those quotas are as follows: Domestic beet, 1,800,000 tons; mainland cane, 500,000 tons; Hawaii, 1,052,000 tons; Puerto Rico, 910,000 tons; Virgin Islands, 6,000 tons; or a total allocation to domestic sugar producing areas of 4,268,000 tons.

In addition to that the Republic of the Philippines is given the same allocation that was given it in the Philippine Trade Act, of 952,000 short tons. The remainder of whatever amount may be determined as an over-all quota is allotted to Cuba and other foreign countries in the following percentages: Cuba, 98.64 percent; foreign countries, other than Cuba and the Philippines, 1.36 percent.

It is provided also that in the case of a Philippine deficit the deficit shall be allotted to Cuba and other foreign countries in the following percentages: Cuba, 95 percent; other foreign countries, 5 percent.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New York.

Mr. BUCK. The domestic industrial consumers are still limited to 85 percent of the 1941 production. It seems strange to me to talk in this bill about limiting production when our industrial consumers are still not able to get all the sugar they need, and are thus prevented from giving employment to additional hundreds of thousands of people. Can the gentleman give us any assurance as to when the restrictions on industrial consumers will be lifted?

Mr. HOPE. This bill does not in any way deal with rationing or controls as

applied to sugar consumers in the United States.

Under this bill the amount of sugar which will be available for domestic consumption will be based upon what we produce domestically, plus the imports, most of which have to come from Cuba. The total quantity will be fixed by the Secretary of Agriculture based on the needs of the domestic consumers. So there is in this bill no restriction as to the amount of sugar which domestic consumers will receive except that the Secretary, taking everything into consideration, including consumer demand, must determine the over-all quota in order to maintain stability in the industry.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New Jersey.

Mr. HAND. The gentleman from New York put his finger on something which has been concerning me, and that is under section 302 of this bill it is definitely provided that one of the reasons why the Secretary of Agriculture can refrain from paying these growers of sugar cane or sugar beets is if they grow more than their quota, so it seems to me by the adoption of section 302 we are again going back to an economy of scarcity which is one of the most foolish things we ever did, and of which the great exponent in this country was the former Secretary, Mr. Henry Wallace.

Mr. HOPE. There is no provision in this bill for a scarcity of sugar supplies as far as that is concerned. The only provision in this bill relating to the total supply is the over-all quota which is fixed by the Secretary of Agriculture after determining consumptive needs. The bill sets out a formula by which that quota is apportioned among the different producing areas.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

Since in normal times there is a world surplus of sugar each area is anxious to get as large a quota as possible for itself. Now, naturally, the cane refiners along the seaboard want the quota given to mainland producers cut down because they do not refine that sugar; they refine sugar that is brought in from Cuba and our offshore areas. The mainland producers, of course, are anxious to get all the allocations that they can, both cane and beet. Hawaii and Puerto Rico are anxious to get as large an allocation as they could, so it is necessary, if we are going to get an agreement, to have every producing area given a quota, and I think it can fairly be said that no producing area, either domestic or foreign, is entirely satisfied with that proportion of the market which has been given it under this bill. But all of them are in favor of the bill because they feel that it is the best arrangement that can be worked out at this time. The bill is for 5 years. It is not meant to be permanent legislation. It is intended to be in the nature of emergency legislation to take us out of the war period during which sugar production and distribution throughout the

entire world have been very much disturbed.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Does the gentleman feel that the bill will provide sufficient sugar for the growing population and the growing use of sugar and sugar products for the United States and the rest of the world?

Mr. HOPE. Of course, it all depends upon the production in the offshore countries, because we are definitely limited on the mainland in our production of sugar at this time. The real limitation, I would say, is not the quotas in this bill during the next 2 or 3, and perhaps the next 5 years. The real limitation is our ability to produce the amount of sugar provided for by the quotas. It is the hope of mainland producers that at the end of the 5-year period they will have produced up to the amount of the quota, and they are satisfied to accept these quotas during this 5-year period because they think it will be about what they can produce.

Mr. MILLER of Nebraska. I feel that I must support the bill because my beet growers in Nebraska seem to have gotten together and agreed upon it, but I am concerned about the small increase permitted for domestic beets. One million and eight hundred thousand short tons is only 100,000 tons more than we have produced at one time when we were short of sugar, and that 100,000 tons for each year of the next 5 years does not keep pace with our growing population, with the number of people who need sugar. So I would feel much better if you had made that 2,000,000 or 2,500,000 instead of limiting it to just 1,800,000 short tons of sugar.

Mr. HOPE. I can only say to that there was no world shortage of sugar—we are talking now about the supply that may be available for domestic consumers—before the war. There is no reason to believe there will be a world shortage of sugar as soon as the various producing areas go into normal production again. So I do not think there is any possibility of a sugar shortage in this country. It is the desire of the gentleman from Nebraska, and I think of most of us, that the domestic areas produce as large a proportion of our consumption of sugar as they possibly can. We want them to be permitted to do that. At the same time, all of us must admit that we cannot in this country produce all the sugar we consume here. We have never done anything like that even with our off-shore areas. There is nothing to indicate that we can do it now, and certainly not during the next 5 years. It is my thought that at the end of 5 years we can reappraise the situation and determine then whether we want to go ahead without legislation of this kind or whether we want to work out a new quota arrangement, and determine then what is the best policy to follow for the ensuing years.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Statistics show there have been only two times in the history of sugar-beet production in this country that we have produced more than 1,800,000 tons, so that with the present acreage it looks as though it may take 3 or 4 years before they can reach the quotas set by the bill.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

The amount of sugar we can produce in this country depends to some extent, of course, upon the prices of competing crops, because in most areas of this country where you can produce sugar, on the mainland, at least, you can shift from one crop to another, and farmers naturally grow the crop which is most profitable. Therefore, if sugar should be profitable and other crops unprofitable in sugar-producing areas, and that is particularly true in the beet area, I would look for an expansion of sugar acreage. If the opposite should be true, then I would not look for much expansion.

I call attention to the fact that for the year 1946 our sugar-beet production was only 1,541,000 tons; for 1945, where we were of course affected by the war, it was 1,278,000 and for 1944, 1,056,000 tons. So that we have some way to go yet to get up to the 1,800,000 tons.

I yield to the gentleman from New York [Mr. BUCK].

Mr. BUCK. The gentleman did not answer the second part of my question. Can the gentleman tell us when he anticipates that consumption controls will be lifted?

Mr. HOPE. That, of course, is not covered in this bill. This bill has nothing at all to do with consumption controls. There are no consumption controls in the bill.

Mr. BUCK. I understand that, but the gentleman is an expert on the question and I wanted to get the benefit of his view on that.

Mr. HOPE. The Secretary of Agriculture was asked that question in the hearings. Just at this moment I cannot recall exactly what he said. The gentleman from Minnesota asked the question, and I yield to him if he desires to make a statement on that.

Mr. AUGUST H. ANDRESEN. I asked the question. Of course, I did not get a very satisfactory answer. I would like to make a prediction if the gentleman would permit it, and that is to say that as soon as Congress adjourns so that there will not be any question of who is going to get the credit for taking rationing off of industrial users, probably sometime in August I feel that the Secretary will remove rationing.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. EBERHARTER. I would like to have the attention of the gentleman from Minnesota and the gentleman from Kansas. I spoke for a minute this morning and made the observation that communications have come to my attention and I think Congress ought to take off rationing for industrial users before it adjourns

because they are not administering the law as I see it the way Congress intended it to be administered. They are taking applications for relief and hardship cases and letting them lie on their desks for weeks and weeks, and then if a decision is against them they say, "Well, you can take an appeal," and the first thing you know before any relief is granted, October 31 will have arrived. They are doing that purposely and they are subverting the purpose and intent of Congress. Those in charge of the sugar rationing, in my opinion, are not administering the law the way Congress intended it to be administered.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, if the gentleman from Kansas will permit, I would like to observe that, of course, a good many employees down here who have jobs would have to quit or get fired if they do what the gentleman is suggesting.

Mr. EBERHARTER. I think what they are doing is that they have decided to take a vacation until October 31 and just loaf around and not pay any attention to these hardship applications.

Mr. HOPE. Mr. Chairman, I do not want to take up much more time, but I do want to go into the question of the over-all quota because the question has been asked here of previous speakers as to what protection there is for the consumer in this legislation. That is a pertinent question and one which was in the minds of the committee in framing the legislation. Of course, it is one of the objectives of the bill to protect consumers not only in getting an adequate supply of sugar but in giving it to them at a fair price. The title of the bill, of course, includes that. It reads, "To protect the welfare of consumers of sugar and of those engaged in the domestic sugar-producing industry."

There are no direct price provisions in the bill. But, of course, the control which the Secretary of Agriculture has over quotas will have something to do with the prices which consumers will pay because the larger the quotas, the lower the prices; and if the quotas are lower, prices to consumers will be higher. The object of the bill is to assure a sugar supply which will result in prices which are fair to both producers and consumers. It is left up to the Secretary of Agriculture, under the provisions of the bill, to make that determination. We have legislation on our books providing price supports to many other agricultural commodities. In a sense, consumers are protected under these provisions, but in no legislation relating to prices of agricultural commodities is the consumer specifically protected to the extent that he is in this bill, because the Secretary of Agriculture is compelled, by the terms of the legislation, to take into consideration the interests of the consumer and see that he gets his sugar at a fair price.

In the bill there is a formula which the Secretary of Agriculture must follow in determining the total over-all quota. I just want to call attention to what those specific standards are in this formula.

First, the Secretary must use as a base the quantity of sugar consumed during the 12 months ending on the preceding October 31.

Next, the Secretary must make adjustments in this figure for any deficiency or surplus of inventories of sugar.

He must also allow for changes in consumption because of changes in population and demand conditions.

He must also give consideration to the level of consumer purchasing power and the trend of such purchasing power, whether rising or falling.

Finally, he must give consideration to the relationship which the price of sugar bears to the general level of the cost of living.

In general, of course that is analogous to the parity provision accepted as a standard in determining fair agricultural prices. It relates the cost of sugar to the cost of other commodities. That is one of the conditions which the Secretary must take into consideration along with the others which I have mentioned.

There is no provision in the bill which says the Secretary has to give so much weight to one provision and so much weight to another, but he must take all of them into consideration in determining what will bring about a supply of sugar which will result in a fair price to the sugar industry and the consumer.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. I wish the gentleman would discuss section 408, which further protects the consumers, as it gives the President the power to suspend the operation of this act so as to get more sugar into the country in the event a sufficient amount is not produced for the consumers here at reasonable prices.

Mr. HOPE. Yes. I am glad the gentleman called attention to that provision. I do not know that it is necessary for me to comment on it any further than he has. But there is that provision in the bill whereby quotas may be suspended if, for any reason, it appears the imposition of quotas will result in a supply of sugar which is inadequate for domestic consumption.

I do not desire to take any more time.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I wish to submit a question to the chairman of our committee. It is an embarrassing question but I do not submit it to embarrass the chairman or the committee, because I realize the background of this whole approach.

I refer to page 7 of the bill, where the domestic marketing quotas are allotted, and specifically to the Puerto Rican figure of 910,000 tons. If the gentleman will bear with me, may I say that as chairman of the Territory and Insular Affairs Committee of the Committee on Public Lands, I feel it is my duty to call the attention of the House to what has occurred. For instance, Puerto Rico, an island possession, citizens of the United States, has a quota assigned of 910,000 tons—considerably below the present production of Puerto Rico.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has again expired.

Mr. HOPE. Mr. Chairman, I yield myself two additional minutes.

Mr. CRAWFORD. I simply make this presentation now to get it into the Record for future reference, and to protest against Cuba being permitted by this bill to participate in the shortages of deliveries by domestic areas, other than Puerto Rico, to the detriment of Puerto Rico, because of this situation with which we are confronted, which forces Puerto Rico to store its excess sugar production, instead of being permitted to go in and market its production in the United States, which production is over and above the 910,000-ton quota.

My question is not to embarrass the chairman, but simply to give him a chance to make any remark he wishes to, at least to the comfort of the Puerto Ricans.

Mr. HOPE. The gentleman from Kansas, of course, is aware of the complaints which have been made by Puerto Rico as to its quota. Complaints, of course, have been made by every producing area. As I said a while ago, no producing area is entirely satisfied with the quota permitted in this bill.

It is true that Puerto Rico has on various occasions produced more sugar than the quota provided in this bill, but we must recall in that connection that Puerto Rico consumes a considerable quantity of sugar and that consumption is not included in the quota. I am sorry I do not have the figures as to Puerto Rican consumption at just this moment. Does the gentleman from Minnesota have them?

Mr. AUGUST H. ANDRESEN. It is about 115,000 tons.

Mr. HOPE. I thank the gentleman from Minnesota.

In addition therefore to its quota of 910,000 tons Puerto Rico will produce and consume at home 115,000 tons, which comes very nearly being the maximum amount, certainly more than the average amount, produced in that territory over any recent period. Let me call attention also to the fact that if any domestic area is not able to produce its quota, the deficit will be permitted to be made up by other domestic areas and Cuba. Inasmuch as there will no doubt be deficits in some domestic areas during the early years in which this legislation is in effect Puerto Rico will have an opportunity to dispose of its excess production, if any.

Mr. Chairman, I am sure it would not be possible to bring any sugar legislation on this floor which would be entirely satisfactory to the various sugar-producing areas. It is my firm belief, however, that this bill comes as near reaching that goal as it is possible to do. I believe it is fair to the sugar industry and fair to the consumers. Therefore I have no hesitancy in supporting it and urging its prompt enactment.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. FLANNAGAN. Mr. Chairman, I wonder if the chairman of the committee would agree to the bill's going over to tomorrow? I have a statement to make that I believe the full membership of

this House ought to hear. The time is getting late and I hate to suggest the absence of a quorum.

Mr. HOPE. Does the gentleman from Virginia have someone who desires to speak whom he could use this afternoon? I should like to go as far as we can. I am not inclined to press the matter, but if the gentleman has someone who is ready to proceed I suggest that he do so this afternoon.

Mr. FLANNAGAN. The situation may be that I am the only one in opposition; I do not know. I may be playing the part of the lone wolf, but I will state that I believe the membership of this House should hear me before they cast their vote on this legislation.

Mr. HOPE. Does the gentleman from Virginia have any commitments for time to others to whom he might yield?

Mr. FLANNAGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. DOMENGEAUX].

Mr. DOMENGEAUX. Mr. Chairman, I am very much pleased with the provisions of the new sugar producing bill which is before the House today. Representing a congressional district which embraces the great sugarcane area in Louisiana, I feel that this industry will benefit considerably from this legislation.

This bill in effect would reenact the Sugar Act of 1937 with important changes and extend the termination date from December 31, 1947, to December 31, 1952. Like the Jones-Costigan Sugar Act of 1934 and the Sugar Act of 1937, this measure has as its primary object the stabilization of the sugar producing, refining and importing industries. It provides for the quota system under which the United States market is divided among the various domestic and foreign elements supplying it, and for the necessary complements to that system, namely, a tax on sugar and payments to producers of sugarcane and sugar beets.

As brought out during the hearings conducted by the House Agriculture Committee on this legislation, the former quota of our mainland sugarcane area has been increased by the largest percentage of any of the domestic groups, under the provisions of the bill. A 500,000-ton figure is provided for the cane-growing belt, which is principally Louisiana and Florida. This will enable Louisiana to produce nearly all of the sugarcane it is now capable of producing.

It is particularly gratifying that in the drafting of this new program the domestic areas have demonstrated a very cooperative spirit and there has been a mutual desire to work out matters to the best interests of the entire sugar industry. Adoption of the 1937 legislation was delayed by lack of agreement between representatives of the domestic areas and perhaps to some extent by lack of agreement among Government agencies. All concerned have demonstrated their willingness and purpose of helping to draft this present legislation as quickly as possible and in a spirit of fairness and equity. The results cannot help but be beneficial to all.

I have been particularly anxious that the fair wage-fair price provisions of the former act be retained in the new one,

and am glad to know that the Committee on Agriculture has inclined favorably toward these provisions which are desired by the Louisiana sugarcane industry. I have reference to sections 301 (b) and (d) of the old act regarding fair wages to laborers and to a determination of fair prices for sugarcane and sugar beets.

The quotas established under this bill are generous to Louisiana and other areas, and should result in stabilizing the industry on a basis of prosperity for at least the next 5 years.

Sugar is a most vital commodity, and the industry is deserving of all possible assistance and cooperation from the Federal Government. It is predicted that sugar consumption will increase within the next few years. Louisiana producers and processors can, I feel, look forward with much optimism to the future, in view of the assistance given by this legislation and the general outlook for the growth and general welfare of their industry.

I would like to take this opportunity to express gratitude to the House Agriculture Committee for the careful and valuable consideration given this bill and for the interest and cooperation the members have manifested in drafting a measure that will best meet all needs and circumstances. I consider that the legislation is very well prepared and presented, and that we who are particularly interested in sugar production and marketing can feel that our efforts have proven most worth while. Speaking for the sugarcane interests of Louisiana, I again wish to express my gratitude and pleasure over this bill, which I hope and believe Congress will speedily adopt.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. DOMENGEAUX. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I would like to add a word to what the gentleman has said. I have watched the sugar production in this country over many years and I would like him to know that the sugar producers in his area and down in Florida have made an outstanding contribution to the economy of the country in the splendid work they did in the war years to produce sugar.

Mr. DOMENGEAUX. The expression of the gentleman is very greatly appreciated.

Mr. FLANNAGAN. Mr. Chairman, I yield 5 minutes to the Resident Commissioner from Puerto Rico [Mr. FERNÓ-ISERN].

Mr. FERNÓ-ISERN. Mr. Chairman, may I say that the present bill contains, in the opinion of the people of Puerto Rico, two objectionable features, and it could contain a third, by omission, but fortunately the committee has an amendment to offer which corrects that defect. The amendment refers to determination of fair prices and wages. There are two other features of the bill to which we would object, as I said before. I do not intend to offer amendments because I believe it is too late now.

Certain sectors in the production of sugar in Puerto Rico were present at the preliminary meetings. I am not

criticizing that. Others were not. The representative of the people as a whole certainly was not present.

The quota allowed to Puerto Rico, even though we have a local insular consumption quota, is below this year's production, and therefore there is no allowance for expansion. The other provision we object to, and it is difficult for me to understand, is that a domestic area, included in the tariff system of the mainland, may be hampered from sending its sugar into the market as a finished product. Although geography says otherwise; Puerto Rico is a part of the continent in a legal sense, because the coastwise shipping law operates in Puerto Rico just as on the mainland. Still we may not ship into the mainland all the sugar we produce in any shape or form, within the quota. We may send it only in the raw state, with the exception of a very small amount which may be refined.

We have those objections to the bill, which we want to go into the RECORD. But, we prefer a bill to no bill. It is too late, I understand, to offer amendments. Conversations went on; most of the sectors engaged in sugar production are agreed, and we do not want, even if we could, and we cannot, to upset the apple cart.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FERNÓS-ISERN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In other words, what the gentleman has told us is this: In these conversations, at which time certain agreements were reached by members of the industry, all of the industry of Puerto Rico was not represented; there were simply certain segments of the Puerto Rican industry which had its representatives sitting in on those conversations.

Mr. FERNÓS-ISERN. Correct.

Mr. CRAWFORD. Then there were left out certain other sectors, and it was those segments left out who would like now to have an amendment but, as the gentleman has said, and I agree with him fully, it is now too late to offer such an amendment.

Mr. FERNÓS-ISERN. Correct.

Mr. CRAWFORD. Because the door is closed by reason of agreements that have been made.

Mr. FERNÓS-ISERN. Correct.

Mr. CRAWFORD. And here we have an illustration of what occurs and what will continue to occur with American industry as we sit around the table in these great international conferences and make agreements which conflict with the expansion of enterprise under our American system. Now, may I ask the gentleman this question? Sugar in Puerto Rico is the source of about 75 percent of its income, is it not?

Mr. FERNÓS-ISERN. Correct.

Mr. CRAWFORD. It is the thing upon which the people depend for their livelihood.

Mr. FERNÓS-ISERN. Right.

Mr. CRAWFORD. Puerto Rico is primarily an agricultural area.

Mr. FERNÓS-ISERN. Right.

Mr. CRAWFORD. Now, the thing that bothers the gentleman and the thing that bothers me—and I am sure

he will agree with this observation—is why the American people here on the continent say, in substance, to the Puerto Rican people, "We will not let you use your natural resources to provide food and shelter and employment and the flow of your insular income, but we insist on holding you down and sending you relief funds in order to support your unemployed." Now, that is a difficult thing for the gentleman to understand, is it not?

Mr. FERNÓS-ISERN. Of great importance to the mainland also is the fact that since we have no more dollars than what we get from sugar, practically, that is all the money we have to buy our food with on the mainland, and that means that the less sugar we sell the less rice we may buy from Louisiana. Of course, we could not buy rice outside of the mainland, or we should not, because we are within a common tariff system and we should all prefer domestic products.

Mr. CRAWFORD. And anything which reduces your production of sugar or the processing of sugar into other products in Puerto Rico cuts your income.

Mr. FERNÓS-ISERN. Right.

Mr. CRAWFORD. And therefore cuts your power to buy goods produced on the continent.

Mr. FERNÓS-ISERN. That is right.

The CHAIRMAN. The time of the Resident Commissioner from Puerto Rico has expired.

Mr. HOPE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CUNNINGHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries, to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry, to promote the export trade of the United States, and for other purposes, had come to no resolution thereon.

PRESIDENTIAL SUCCESSION BILL

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on S. 564, the Presidential succession bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

HOOR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. OWENS. Mr. Speaker, I ask unanimous consent to extend my remarks in

the RECORD and include certain extraneous matter. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$284, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. NIXON (at the request of Mr. HILL) was given permission to extend his remarks in the RECORD.

Mr. HOPE asked and was given permission to revise and extend the remarks he made this afternoon.

CORRECTION OF ROLL CALL

Mr. SCOBLECK. Mr. Speaker, on roll call No. 105 of today I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the roll call be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

SPECIAL ORDER

The SPEAKER. Under previous order or the House, the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.] is recognized for 20 minutes.

WHAT'S COOKING BEHIND OUR OWN CURTAIN?

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I think there is both at home and abroad a general approval of the basic tenets of what has come to be known as the Marshall plan. I think there is, generally speaking, confidence in the fundamental wisdom of that plan. It has been hailed abroad with a great deal of optimism and enthusiasm. I sense, however, the danger of a let-down, the risk inherent in optimistic statements and programs which are billed as somebody or other's plan, which may subsequently fall short of the original promise. The damage done by a failure to go through with the fully formulated broad-scale foreign policy may be very great to us in the loss of confidence in the countries abroad and in the same loss of confidence on the part of our own citizens. It is essential, then, to know what are the implications of the Marshall plan and more particularly, perhaps, whether or not we have a foreign policy at all.

I quote a recent editorial appearing in Collier's magazine:

The present revelations by bits and pieces of a so-called foreign policy keep rumors flying around, people alarmed and resentful, and world opinion in doubt as to what United States foreign policy is—assuming we have such a thing.

Someone has said that what this old world needs is a transparent 8-ball for those who want to look ahead.

An able and respected public servant, under Secretary of State Dean Acheson, delivered a candid and illuminating address at Wesleyan University in June. Candor of that type is rather a new thing in our august Department of State. It is my purpose here to plead for more of the same.

It is quite true, as Under Secretary Acheson said, that people most everywhere in the world like to take potshots at members of their foreign offices. A distinguished Member of the other body once told a story to that effect with reference to a farmer's dog that used to go to town with his master, and Secretary Acheson refers to this story. While the farmer was busy small boys would catch the dog and tie tin cans to its tail. The dog got so used to this that whenever he saw a tin can he backed right up to it.

I think that we here in Congress can join Mr. Acheson in that rueful recollection, because people like to take potshots at Congressmen, too, but do not our citizens thus exhibit their awareness of the extent to which their well-being depends upon the capacity for good or ill of their representatives at home or abroad?

Mr. Acheson discussed American traditions under this foreign policy. He gives us the State Department estimates of our objectives and what is happening to them. This, it seems to me, is a catalog of failure and of frustration because while Mr. Acheson tells us at some detail of the disappointments which we have suffered in our foreign dealings and the failure of the Soviet Government to live up to its promises at Yalta, and the disastrous decline and fall of the principles of the Atlantic Charter, and the fact that the whole series of arrangements for settlement in eastern Europe, Germany, and the Far East, which recognized to the full the Soviet's spheres of interest which were based on confidence in their intention to carry out their pledged word, including cooperation from Germany, nevertheless those promises have not been made.

Mr. Acheson refers to the fact that in eastern Europe the Soviet Union, over our protests and British protests, has used its dominant position to carry out a unilateral policy contrary to the Yalta Agreement. He complains because the Soviet Union has dismantled the factories in Manchuria, has obstructed the economic and political unification of Korea. He speaks with regret of the failure of our foreign policy—for that is what it is—in Persia, in Greece, in Hungary, and elsewhere. He notes particularly that 2 years after Potsdam, by reason of Soviet unwillingness, we have not achieved German economic unification and written an Austria treaty. And he says as a result the recovery of Europe has been long delayed, tragically long.

Now, the question is: What are we going to do about these things? Have we any foreign policy? Have we any plan to deal with these problems? What are we going to do with Germany and Austria? Do we plan to restore their economy or not? Are we going to make it possible for Germans to engage in any manufacturing activities above the present level or not? If Russia continues to rely on chaos, confusion, and hunger, do we make a separate treaty west of the iron curtain or not, and even if we do, it is my firm opinion we must not withdraw from our zone until the Russians do from theirs?

If these arguments Mr. Acheson refers to are bitter and unprofitable, what do we offer to end that stalemate? Mr. Acheson refers also to the fact that we should not—and I hope we will not—wait for extreme crises to develop. As a matter of fact, these crises have developed. I wonder why the State Department does not see this and does not admit that we are in a position of crisis in relation to our foreign affairs?

Let me refer again to something I originally got from this Collier's editorial. That leads me to the main theme of what I have to say. As this editorial states, and I agree with it, what we want to discuss is the habit that this administration has, like the Roosevelt administration before it, of breaking its foreign policy news piecemeal to the American people instead of all at once. There seems to be a persistent conviction which is said to center chiefly in the middle level of the State Department that Americans are too dumb and childish to be trusted with the whole story at one sitting or one message to Congress when some important shift in foreign policy is contemplated.

I supported the Greek-Turkish loan. I supported the relief measure brought in here.

Mr. JONES of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I would rather continue with my trend of thought, but I yield to the gentleman briefly for a question.

Mr. JONES of North Carolina. What are the Republicans going to do about that?

Mr. HUGH D. SCOTT, JR. We are going to elect, next year, a Republican President who will tell the American people the truth for the first time in more than 14 years, and I thank the gentleman for asking that question.

Mr. JONES of North Carolina. That is your opinion.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I decline to yield further to the gentleman.

Mr. JONES of North Carolina. That is your opinion.

Mr. HUGH D. SCOTT, JR. (reading):

At this time it is being gossiped around that the Greek-Turkish loan is only the beginning; that the administration plans to spend a total of \$10,000,000,000 or more in the next 2 or 3 years to bolster up numerous countries against Russian Communist infiltration.

Well, is that the plan or isn't it? Why not tell us now just how far this business is likely to go and how much it may cost?

When Americans are convinced they have some job to do, they do not shrink from it,

no matter how big it may be. When they suspect somebody is kidding them, they do not cooperate, and why should they?

Finally, and very important, cannot the American taxpayers, who must foot the bill, be told by President Truman something of how much this will cost them, for it will mean billions of dollars? It will undoubtedly increase the already high cost of living, as food which goes abroad means less food at higher prices to meet the home demand. In terms of our national security, it may all be worth it. But we are entitled to know how much we have been committed for already, and how much much more of our national resources we shall be required to use, and what is the end we are trying to achieve.

In the July issue of Fortune magazine, under the heading "The United States in Europe," the writer reaches this conclusion, with which I heartily agree:

But if this time the United States does live up to its immense responsibilities, surely it might ask something in return. Europe wants all the fruits of democratic capitalism—dollars, goods, production, continental unity. Is it too much to ask that she re-adopt the only known means by which these good things can be garnered—enterprise, open markets, faith that in the long run it is not national plans that unite people but only free individuals dealing freely with each other?

Now, quoting the words of the editorial I previously referred to, I quote:

Let's have the whole truth, and nothing but the truth, about the Truman Doctrine and all its possible consequences as now envisioned; and let's have that whole truth soon, in plain English, from some authoritative Administration source.

These are my views and these are my misgivings. The thought I express may seem no greater than one man's opinion—the cloud no bigger than a man's hand. But I warn this Administration that there are others of like mind in this country and in this Congress whose support will be withdrawn from a foreign program released in bits and pieces, without beginning or end, handed down from on high, with "Papa knows best" overtones.

Mr. JONES of North Carolina. Will the gentleman yield?

Mr. HUGH D. SCOTT, JR. Perhaps the gentleman would be interested in what I am going to say next. I am going to know what I am voting for. I am not going to vote for any "Now you see it, now you do not" arcanery. We had enough of that in this Congress once before.

Mr. JONES of North Carolina. Will the gentleman yield?

Mr. HUGH D. SCOTT, JR. Yes; I will be glad to yield.

Mr. JONES of North Carolina. You are a Republican, are you not?

Mr. HUGH D. SCOTT, JR. I am a member of the majority party, according to the will expressed by the people of my district in 1946.

Mr. JONES of North Carolina. You are making a Republican speech, are you not?

Mr. HUGH D. SCOTT, JR. I was hoping that what I said would fall on intelligent ears as an American speech.

Mr. JONES of North Carolina. I think I am intelligent as much as you are.

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

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HIGHLIGHTS: House debated sugar bill. House received conference report on bill to continue certain export-control, allocations, and priorities powers. Sen. Capper introduced bill to provide for liquidation of State rural-rehabilitation corporations. Rep. Andrews introduced bill to pay CCC for material transferred to stockpile. House committee reported Science Foundation bill and Tongass Forest timber-sales bill. Reps. Cooley and Hill introduced bills to coordinate soil- and water-conservation programs. Senate committee reported bill authorizing Mexican fence. Sen. Thomas (Okla.) inserted Alaska Indians' statement against Tongass Forest bill. Sen. Morse inserted Budget Bureau study on "estimated capital expenditures."

HOUSE

- 1. SUGAR.** Continued debate on H. R. 4075, the sugar bill (pp. 8809-26). Rep. Flanagan, Va., strongly criticized the bill, and Rep. Marcantonio, N. Y., criticized the labor-standards provisions.
Rep. Eberharter, Pa., charged that the Department's employees "are actually on a sit-down strike" in rationing sugar to industrial users (pp. 8791-2).
- 2. WAR POWERS.** Received the conference report on H. R. 3647, the "Second Decontrol Act of 1947" (pp. 8807-9). The conferees agreed to a new version of the bill, which is printed in the Record. The revised bill continues certain export-control, allocations, and priorities powers through Feb. 29, 1948; continues allocations on rice (for import control only); quinine and related products (in certain cases), transportation facilities; and empowers the Secretary of Commerce to establish policies and programs and to exercise over-all control under the bill. The bill would be effective July 16, 1947.
- 3. FARM PROGRAM.** Rep. Dolliver, Iowa, spoke in favor of price supports, soil conservation, and provision for attractive farm life as parts of a long-range farm program (p. 8790).
- 4. PUBLIC WORKS.** The Rules Committee reported without amendment H. Res. 211, directing the Public Works Committee to study works of improvement under its jurisdiction with a view to determining if legislation regarding such projects should be enacted (p. 8807).
- 5. PRESIDENTIAL SUCCESSION.** Passed, 365-11, without amendment S. 564, the

27. RESEARCH. H.R. 4110 (see Digest 192) amends the Research and Marketing Act of 1946 so as to provide that not less than 20% of the funds "appropriated", rather than those "authorized to be appropriated", for general research shall be used by the State agricultural experiment stations for conducting marketing research projects approved by the Department of Agriculture.

ITEMS IN APPENDIX

28. SUGAR. Speech in the House by Rep. Crawford, Mich., opposing the proposed Sugar Act of 1948 as "a proposal to ration markets not a commodity" (pp. A3643-4).
29. APPROPRIATIONS. Speech in the House by Rep. Potts, N.Y., opposing reductions in school-lunch program appropriations (pp. A3657-8).
30. WATER POLLUTION. Extension of remarks of Rep. Seely-Brown, Conn., urging action on his bill, H.R. 3875, relating to water-pollution control in New England (pp. A3662-3).

COMMITTEE HEARINGS Released by G.P.O.

31. EXECUTIVE REORGANIZATION. H.R. 775, for the establishment of the Commission on Organization in the Executive Branch of the Government. House Expenditures in the Executive Departments Committee.
32. FOREIGN TRADE. Reciprocal Trade Agreements Program. House Ways and Means Committee.
33. POSTAL SERVICE. S.Res. 43, Pt. 4, increases in postal rates. Senate Civil Service Committee.
34. APPROPRIATIONS. S.Con.Res. 6, to include all general appropriation bills in one consolidated general appropriation bill. Senate Rules and Administration Committee.
35. EXECUTIVE REORGANIZATION. H.Con. Res. 49, Reorganization Plan No. 2, 1947. Senate Labor and Public Welfare Committee.
36. TAXATION. Miscellaneous bills. House Ways and Means Committee.
37. WATER POLLUTION. S. 418, stream pollution control. Senate Public Works Committee.

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COMMITTEE-HEARINGS ANNOUNCEMENTS for July 11: S. Public Lands, forestry program, national resources subcommittee (Watts, Marsh, Crafts, of FS, to testify); H. Banking and Currency, sale of peanuts below parity (Farrington, Parker, of PMA, to testify); H. Public Lands, extending Reclamation Act to territories and Virgin Islands; H. Judiciary, standards for administrative practitioners; H. Appropriations, deficiency (ex); H. Education and Labor, minimum wage rates; H. Interstate and Foreign Commerce, Bulwinkle bill (ex.); H. Public Works, flood control (ex.); H. Ways and Means, general tax revision; S. Small Business, steel hearing; S. Public Works, public works construction by States; S. Labor and Public Welfare, health bill; S. Banking and Currency, Sen. Baldwin on high prices (ex.); S. Judiciary, on disbursing officers; S. Appropriations, U.S.D.A. and independent offices (full committee, ex.) and War Department civil functions and Government corporations appropriation bills; conference on Interior Department appropriation bill (ex.).

Mr. CELLER asked and was given permission to extend his remarks in the RECORD on two different subjects.

CORRECTION OF THE RECORD

Mr. BUCK. Mr. Speaker, my remarks as reported in the first column of page 8728 of yesterday's RECORD contain three errors. I ask unanimous consent that these errors be corrected as per copy which I hand to the desk herewith:

Mr. BUCK. Domestic industrial consumers are still limited to 85 percent of their 1941 consumption. It seems strange to me to talk in this bill about limiting production when our industrial consumers are still not able to get all the sugar they need and are thus prevented from giving employment to additional hundreds or thousands of people. Can the gentleman give us any assurance as to when the restrictions on industrial consumers will be lifted?

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BUCK]?

There was no objection.

SUBCOMMITTEE OF THE COMMITTEE ON ARMED SERVICES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Armed Services may sit today during the general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

STOLEN SECRETS OF THE ATOMIC WEAPON

Mr. RANKIN. Mr. Speaker, on yesterday the American people were shocked to learn that some of the secrets of the atomic bomb had been stolen, and that Congress had been kept in the dark about it for something like a year.

It seems silly to say that two top-sergeants merely took this material home as souvenirs.

I shall insist on getting the names of those two men and their connections, to see who was behind that theft.

I am tired of a few international moon-gazers trying to drag my country into and subordinate it to a supergovernment to be dominated by representatives of governments many of whose people have demonstrated that they are incapable of governing themselves.

I am not willing to see them destroy the greatest defense weapon the world ever saw, and one that Almighty God has placed in the hands of the American people at this time, as leaders of this Christian civilization, to protect it against atheistic communism, anarchy, and all the forces of destruction that are now plotting the overthrow of the Government of the United States. I want the names of those men.

We members of the Committee on Un-American Activities warned you last year,

and finally we got the help of the Canadian Government in exposing other attempts to steal the secrets of the atomic bomb and turn them over to the enemies of our form of government.

I shall insist that the names of these men be given us and that we find out who was behind that attempt to take the secrets of this mighty weapon and probably turn them over to the enemies of our country, our form of government, and our way of life.

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. FULTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FASCISM IN ACTION

Mr. FULTON. Mr. Speaker, as the membership knows, the day before yesterday there was an argument over the printing as a House document of Fascism in Action. The cost was to be \$1,680 for 1,000 of those pamphlets which were to be printed. Yesterday the gentleman from Texas [Mr. PATMAN] introduced House Resolution 277, dated July 9, to print 100,000 of these documents at public expense.

Some of us opposed this a few days ago on the ground of economy, saying it would run into a lot of money later—and now it is evident that it is going to run into a lot of money. May I point out that under the House resolution which has been introduced not more than \$500 can be spent. A House resolution therefore is not the proper way to provide for this printing. It must be done by a concurrent resolution.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the distinguished gentleman from Iowa.

Mr. LECOMPTE. The Committee on House Administration does not have jurisdiction over the printing of documents that cost in excess of \$500. It will require a concurrent resolution to do that.

Mr. FULTON. That is an excellent statement of my objection.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield.

Mr. RANKIN. To what committee was this resolution referred?

Mr. LECOMPTE. To the Committee on House Administration.

Mr. RANKIN. What was the cost?

Mr. LECOMPTE. That I do not know; we have not got the estimates. We have just got the resolution.

Mr. FULTON. The cost of the first 1,000 was something in excess of \$1,600. The gentleman from Texas now asks for printing at Government expense of 100,000 copies in addition to the first thousand.

Mr. LECOMPTE. That was taken care of in the resolution we passed the other day.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield.

Mr. PATMAN. The legislative counsel prepared that resolution. I thought it was a concurrent resolution. The House resolution will be changed to a concurrent resolution.

Mr. LECOMPTE. It will have to be a concurrent resolution.

Mr. FULTON. And again I will oppose it if it is a concurrent resolution, on the ground of economy.

EXTENSION OF REMARKS

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial, Let's Have Tax Reduction, from the Fort Wayne (Ind.) Journal-Gazette of July 9, 1947.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SMATHERS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

CERTAIN EMPLOYMENT PRACTICES OF THE STATE DEPARTMENT

Mrs. ROGERS of Massachusetts. Mr. Speaker, yesterday a matter that distressed me very much was brought to my attention I think on reliable authority. It was stated that the State Department was dismissing certain of its officials and putting in their places persons who are not citizens of the United States. I am having the matter investigated and running it down. I am bringing it to the attention of the House because I think it advisable that they learn of these matters.

PERMISSION TO ADDRESS THE HOUSE

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SUGAR RATIONING SHOULD BE ENDED

Mr. EBERHARTER. Mr. Speaker, yesterday I called the attention of the membership to the fact that the Sugar Rationing Act as passed by this Congress early this year is not being carried out according to the intent of Congress.

I charge this morning, Mr. Speaker, that these Government employees are actually on a sit-down strike. They do not intend to do anything whatsoever regarding hardship cases until sugar rationing has expired.

If the Committee on Banking and Currency would conduct a 2- or 3-day investigation, as permitted under the Reor-

ganization Act, I am certain the result will be the bringing in of a simple resolution ending all sugar control immediately. That would be for the benefit of the country, and it would also stop the salaries of these employees who are doing nothing whatsoever toward carrying out the intent and purposes of the act of Congress.

THE PRESIDENTIAL SUCCESSION ACT

Mr. MICHENER. Mr. Speaker, pursuant to the order of the House agreed to July 8, 1947, making in order S. 564, a bill to provide for the performance of the duties of the office of President in case of the removal, resignation, death, or inability both of the President and Vice President, and providing that there shall be not to exceed 2 hours of general debate, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 564.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 564, the Presidential Succession Act, with Mr. WOLVERTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MICHENER. Mr. Chairman, the Constitution places upon the Congress the duty of enacting a Presidential succession law to determine who is to execute the office of President if there be no qualified President or Vice President.

Shortly after the adoption of the Constitution, and in 1792, the Congress passed the first Presidential succession law, and this enactment remained the law of the land until 1886—almost 100 years. In that law the President pro tempore of the Senate, next the Speaker of the House of Representatives, next the Members of the Cabinet in the order in which the Departments were created, served as President if there was no qualified President or Vice President.

In 1886 this law was repealed and the law which is now on the statute books was enacted. The present law provides that in case there is no qualified President or Vice President, the Secretary of State shall become Acting President, and the other members of the Cabinet follow in the same order as provided in the law of 1792.

The law of 1792 was the result of the recommendation of a special committee appointed by the Congress to explore the matter of Presidential succession. Reading of the annals and other records of the Congress of that day indicates that there were some political considerations involved. Thomas Jefferson was Secretary of State, Alexander Hamilton was Secretary of the Treasury. After much consideration and discussion the Congress passed the law of 1792. It is noteworthy that in the line of succession the President pro tempore of the Senate came first, the Speaker of the House of Representatives came second, and the Cabinet followed in order. Be it re-

membered that many of the Members of the Congress in 1792 were also members of the Constitutional Convention, which framed the Constitution. They certainly had knowledge as to what they intended concerning this succession when they wrote the Constitution. In these circumstances, the fact that the Congress of 1792 considered the President pro tempore of the Senate and the Speaker of the House of Representatives as officers eligible to serve as President under the Constitution should have great weight in arriving at what limitations the Constitution has placed upon the officers who might be considered by the Congress in determining the line of succession.

Mr. Chairman, of the 32 Presidents of the United States, 7 have died in office. No elected Vice President has ever died while acting as President. Regardless of what the law has been, the occasion has never arisen when anyone excepting the elected President or the elected Vice President has served as President.

When the President and the Vice President are both living, the country never expresses any concern about the line of Presidential succession; however, whenever a President or Vice President dies while serving in the office to which he was elected, immediately there is a revival of interest in a more adequate law taking care of the succession.

This bill, S. 564, makes two substantial changes in existing law. First, it places the Speaker of the House of Representatives next to the Vice President in the line of succession, and he is followed by the President pro tempore of the Senate. Next the Cabinet officers follow in order as now provided; however, the present law was enacted in 1886, and since that time two Cabinet offices have been created; that is, the Secretary of Labor and the Secretary of Commerce. Therefore, these two additional members of the President's Cabinet are given place in the line of succession, the same as other Cabinet officers.

There are a number of clarifications that might well be made while writing a new law controlling this important matter. For instance, it is uncertain as to just what amounts to disability on the part of an incumbent President or acting President. This is not a new question but is a very difficult question to solve. For example, President Garfield was disabled for several months before he died, and the question arose as to how disability to act as President was to be determined. The same question was again asked when President Wilson was physically stricken. This is a difficult problem and it is admitted by all that no one has a satisfactory answer at the moment; therefore, this bill does not deal with that contingency. There are a number of resolutions now pending in the House and in the Senate providing for joint committees or commissions to study all of these details and in due season recommend if possible some salutary solution. This will take time and there is no possibility of any remedial legislation in this particular within the immediate future.

The pending bill, S. 564, has its genesis in a message by President Truman submitted to the Seventy-ninth Congress on June 19, 1945. The recommendation made by the President in that message found expression in H. R. 3587, which passed the House in the Congress in which it was introduced. That bill, however, was never acted upon by the Senate.

On February 5, 1947, the President sent a message to the Eightieth Congress reaffirming his message of June 19, 1945, and insisting on immediate action by the Congress. As a result a number of bills were introduced providing changes in the Presidential succession law. No two bills were exactly alike. Numerous plans and theories were suggested. In the House these bills were all referred to Subcommittee No. 1 of the Judiciary Committee for consideration. This subcommittee held hearings on these pending bills and gave particular consideration to H. R. 2524, introduced by the gentleman from Tennessee [Mr. KEFAUVER], and H. R. 2749, introduced by me, as chairman. These bills were similar and each attempted to carry out the suggestions of the President as stated in his message. After some days of consideration by the subcommittee, hearings were temporarily suspended and as chairman I addressed a letter to the President of the United States asking for his views and the views of his legal advisers as to the Constitutionality of the Kefauver bill and the Michener bill, which in fact are the same as S. 564.

In response to this letter of inquiry the President courteously advised that the attorney general would give consideration to these bills and report to the Judiciary Committee. Pursuant to this correspondence, the attorney general of the United States on June 11, 1947, addressed a letter to the Chairman of the Judiciary Committee which analyzed the several bills on Presidential succession then pending before the committee.

Mr. Chairman, that letter of the attorney general succinctly covers this whole problem. The attorney general has the research facilities and the lawyers, and is in a position to furnish to the Congress a factual statement, plus the benefit of his legal conclusions, as to the intent and meaning of doubtful words, phrases, and expressions used in the Constitution and in the statutes.

In the Senate this bill was debated for a large part of 2 days. No such time is available in the House; therefore, I am going to read the pertinent parts of the attorney general's opinion. In this opinion no words are wasted. Facts and legal conclusions only are stated and the committee reporting this bill concurs in the conclusions reached by the Attorney General.

Mr. Chairman, the Attorney General's letter reads as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., June 11, 1947.

HON. EARL C. MICHENER,
Chairman, Committee on the Judiciary,
House of Representatives, Washington,
D. C.

MY DEAR MR. CHAIRMAN: This is in response to your request for my views concerning a group of related measures (H. R. 163, H. R.

15, 1947, the controls in effect will be those provided by the bill as agreed to in conference.

Section 4 of the Senate amendment proposed to amend the so-called "Export Control Act," section 6 of the act of July 2, 1940, so as to terminate on June 30, 1948, the authority to prohibit or curtail the exportation of any articles, technical data, materials, or supplies. The House bill did not contain such a provision. The bill agreed to in conference is the same as the Senate amendment except that the authority will terminate on February 29, 1948.

Section 5 of the bill as agreed to in conference provides that the functions exercised under title III of the Second War Powers Act, and the functions under the Export Control Act, shall be excluded from the operation of the Administrative Procedure Act, except as to the requirements of sections 3 (relating to public information) and 10 (relating to judicial review). This provision is the same (except for a clarifying change) as the Senate amendment. The House bill, in the amendment to section 1501 of the Second War Powers Act, contained a similar provision in relation to title III of the Second War Powers Act except that the House provision did not refer to section 10 of the Administrative Procedure Act.

Sections 6 to 9, inclusive, of the bill as agreed to in conference are the same (except for clarifying changes) as sections 6 to 9 of the Senate amendment. The House bill had no comparable provisions.

Section 6 of the bill as agreed to in conference empowers the Secretary of Commerce, subject to the direction of the President, to establish policies and programs and to exercise over-all control with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, as amended, and under the Export Control Act, as amended, and the Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by the new section 6. This section also requires the Secretary to make a quarterly report to the President and to Congress of his operations under the authority conferred upon him by this section. Each such report is required to contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act and the Export Control Act should or should not be continued, together with the current facts and reasons therefor. Each such report is also required to contain detailed information with respect to licensing procedures under such acts, allocations and priorities under the Second War Powers Act and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under the Export Control Act.

Section 7 permits the reemployment of personnel engaged during June or July 1947 in the performance of duties related to the functions and powers extended by the bill, in order to maintain continuity in employment of approximately 225 experienced personnel, without which the administration of these functions would be jeopardized. Such authority to reemploy personnel is necessary because under existing law personnel having a war service or temporary status may not be readily reemployed after their services have been terminated because of the requirement of existing law that personnel with a permanent status must be given priority.

Section 8 authorizes an appropriation, out of any money in the Treasury not otherwise appropriated, of such sums as may be necessary to carry out the purposes of the act.

Section 9 provides that the act shall take effect on July 16, 1947.

The bill as agreed to in conference adopts the Senate amendment to the title of the bill.

EARL C. MICHENER,
RAYMOND S. SPRINGER,
FADJO CRAVENS,

Managers on the Part of the House.

EXTENSION OF REMARKS

Mr. MICHENER asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include therein letters from the Attorney General.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Great Falls Tribune entitled "Fifty States—Why Not?"

Mr. DEANE asked and was given permission to extend his remarks in the RECORD and include an address by Admiral Nimitz.

Mr. SABATH asked and was given permission to extend his remarks on two different subjects and include therein certain articles.

Mr. MORGAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Times-Herald.

Mr. HAGEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Star.

Mr. LEONARD W. HALL asked and was given permission to extend his remarks in the Appendix of the RECORD and include a program of the observance of Independence Day at Freeport, Long Island.

Mr. JAVITS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

SUGAR ACT OF 1948

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4075, the Sugar Act of 1948, with Mr. CUNNINGHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, July 9, the gentleman from Kansas [Mr. HOPE] had 33 minutes remaining, and the gentleman from Virginia [Mr. FLANNAGAN], 50. The gentleman from Virginia is recognized.

Mr. FLANNAGAN. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. The gentleman from Virginia is recognized.

Mr. FLANNAGAN. Mr. Chairman, it seems that I am to be the only speaker in opposition to this piece of legislation. Yes, it looks like I am destined to play the part of the lone wolf. I feel, I imagine, somewhat like the last rose of summer left standing alone; all my courageous companions have faded and gone.

I make this fight under no delusion. I know that it is a must piece of legislation, that the green light has been given, and that the orders of the day are full steam and straight ahead. Being the only one on the track ahead I know I am going to be run over roughshod. But after I get up and bind up my wounds, I assure you, there will be no hard feelings. I can still take defeat with a smile.

Probably there are those who will question my wisdom in making this fight. I only hope they will be charitable enough not to question my sincerity. I have my reasons for making this fight and to me they are all-sufficient, all-compelling, I may say. In the first place, although unpleasant, I believe it is my public duty; then, too, I have to live with myself. I find that if I do not keep my conscience reasonably clear, JOHN FLANNAGAN is a most disagreeable, a most unpleasant fellow, to travel around with.

Oh, I heard it whispered around yesterday when it became apparent that the only opposition to the bill would come from me that my temperamental Irish blood was the reason I was playing the role of the lone wolf; that the Irish for some unaccountable reason, have a weakness for rushing in where angels fear to tread. In answer, let me say the whole glorious history of the Irish people reveals that, under fire, they have never learned how to blow the bugle of retreat.

But, my colleagues, I believe a day of reckoning will surely come and that there will be those who, looking back on this day, will hang their heads in shame at following the leadership of Robert Shields, alias General Solicitor of the Department of Agriculture, alias head of the Commodity Credit Corporation, alias head of the Production and Marketing Administration, Department of Agriculture, and now the bell-weather of this saccharine blitz to legislatively fleece the American consumers of untold millions of dollars in order to further enrich the coffers of the Sugar Trust.

My colleagues, before I discuss this legislation I want to remind you of a little bit of the past history of sugar legislation. It is a most difficult and complex piece of legislation to deal with under any circumstances. I remember the original sugar fight in 1934 when the Sugar Act was first enacted. I remember that we labored months upon months trying to bring into agreement the divergent interests in the sugar industry from the producer all the way to the refiner and the off-shore people. I remember going through the same fight in 1937. Why, some of the sugar interests were going one way and some another. They were like ducks; some going east, some going west, and some going over the cuckoo's nest. You could not get them together. We labored day in and day out trying to bring in legis-

lation that would give fair and equitable treatment to every segment of the industry. And I think we succeeded. But a great change has taken place; a miracle, so to speak.

Last year I remember that while chairman of the House Committee on Agriculture I was waited upon by a delegation who represented themselves as being beet growers from the West. They presented me with a sugar bill just about this time of the year, just on the eve of adjournment, and told me that all segments of the industry, from the grower to the refiner, were in agreement. Well, I could hardly believe my ears, and I got to inquiring into the matter. I wanted to know who was in agreement, and they named practically every segment of the industry. I said, "Now, I have been through two sugar fights. I know what it means. It means months of hard labor." "Oh," they said, "we are all together." "Well," I said, "does the Department of Agriculture know about it?" I never had been advised that they were working on it. They said, "Yes, they do." I said, "Well, come around tomorrow morning and I will give you an answer as to what I will do."

I phoned the Department of Agriculture and they sent up one Earl Wilson, head of the Sugar Branch. I asked Mr. Wilson if he knew about the bill, and he said he did. And I asked him, "Is it all right?" "Well," he said, "with a few minor changes I think it is all right." But then he added, "Mr. FLANNAGAN, I do not know whether I am in position to advise with you. You know, I am going with one of the big sugar companies in a very short while." And I will tell you exactly what I said to him; I said, "Hell, no; you are not in a position to advise me; that no man can serve two masters."

Now, my friends, they are all in agreement, they say, today. What brought them into agreement? What brought these divergent interests, these conflicting interests, into agreement so they stand here today in a solid phalanx fighting for this bill?

Let us just look into it a little bit. Who is this man Earl Wilson? He was at one time head of the Sugar Branch of the Department of Agriculture, and before that he was connected with the Sugar Branch of the Commodity Credit Corporation. Who is he? What is his background? When he went into the Commodity Credit Corporation he was vice president of the National Sugar Refining Co., drawing a salary of \$25,000 per year. He was down there representing your Government and my Government, and taking your Government's money and my Government's money plus his \$25,000. That is a serious charge, and I defy any man on this floor to deny it.

Then what happened? Certain interests wanted him over in the Department of Agriculture to head up the Sugar Branch, and he was there when I called for information on the bill last year. Mr. Wilson had gotten over there. Mr. Ellsworth Bunker, president of the National Sugar Refining Co., camped on the doorstep of the Department of Agriculture for a considerable period of time before

he got him in as head of the Sugar Branch.

Now, when Secretary Anderson was considering Wilson's appointment, it leaked out that he was drawing his \$25,000 plus his Government salary. Secretary Anderson said, "Let us get this cleared up. Can a man do that?"

Can he? There is a provision in the Sugar Act prohibiting it, and section 66 of the United States Code reads:

No Government official or employee shall receive any salary in connection with his services as such an officer or employee from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality. No person, association, or corporation shall make any contribution * * * to supplement his salary—

And so forth. It looks as if the powers that be were determined to put Mr. Wilson in as head of the sugar branch in the Department of Agriculture. Naturally Secretary Anderson wanted the salary matter cleared and asked for an opinion from his legal counsel. This man Shields, who is spearheading this legislation, at that time was General Solicitor of the Department. My information is he referred the question to two of his assistants, and got an opinion from one of them winking at the law and giving him a green signal, but the other attorney wrote a rip-roaring opinion holding that Wilson could not draw his salary from the Government and the \$25,000 salary from the company. My information further is that Mr. Shields was so anxious for Wilson to draw both salaries that he took the matter to the Department of Justice with the hope that the Justice Department would decide with him. What did the Department of Justice say? They said, "Oh, no, a man cannot serve two masters. The statute reads him out." Then it was that Mr. Wilson graciously relinquished, so he said, his \$25,000 salary and took charge of the sugar branch of the Department of Agriculture at the paltry Government salary, I think of \$8,000 or \$9,000 per year.

Where is Mr. Wilson today? After serving in the Department until the latter part of 1946, Mr. Wilson stepped out of the Department of Agriculture as head of the Sugar Branch, and today I am told he is drawing \$50,000 per year as an official of the California-Hawaiian Sugar Refining Co.

Mr. Wilson has been in Washington also spearheading this legislation.

Let us go a little further. Some other things have been happening down there. Gentlemen, when you tackle the sugar trust you have taken on a man-sized job—do not forget that. During the war in order to speed up production, the Commodity Credit Corporation entered into a contract with sugar-beet processors covering the 1943 crop whereby the beet growers were given a support price. Later on these processors claimed that they had suffered a damage of \$15,000,000 and filed claim for that amount.

What happened to that claim? One Dennis O'Rooke in the Solicitor's office wrote an opinion upholding it. I will

take up Dennis O'Rooke a little later. There was a good deal of doubt about that claim and finally it was submitted to Jimmy Byrnes, Economic Stabilizer, and he turned it down. Then what happened? In the meantime things had been changing down there. This man Robert Shields was head of the Commodity Credit Corporation and a member of the Board. A man by the name of H. B. Boyd was director of prices in PMA and a member of the Commodity Credit Corporation Board. I think Mr. Shields at this time was head of Production and Marketing. But in any event, when that claim came up again for consideration by the Commodity Credit Corporation Board, I understand that the votes of Robert Shields and H. B. Boyd turned the tide, and an award was made and paid to the sugar trust of \$1,500,000.

Then, what happened to Mr. Shields? Remember they had gotten Earl Wilson in as head of the sugar branch. It looks like the sugar boys were setting pretty. Then, I ask, what happened to Mr. Shields, who had been General Solicitor, head of the Commodity Credit Corporation, and head of the Production and Marketing Administration? He was just about running the Department of Agriculture, and those familiar with the workings of the Department know that that is true.

Then, what happened? This man Shields who wrote this piece of legislation, and who is here spearheading it through—I do not know whether he is in the gallery today or not, but I saw him in the press gallery when this bill was called up on yesterday. I hope he is here today, because he is going to get his ears full before this thing is over. What happened to him? He resigned last year, severed his connection with the Department of Agriculture, although he held the highest position down there, and he went with the United States Beet Sugar Association at a reputed salary of \$40,000 per year. And he took along with him this man H. B. Boyd, who had been a member of the Board that passed upon the claim, and who was in charge of prices in the Department, he took him along with him to the sugar trust at a salary of \$18,000 a year. You ask about O'Rooke: Why he was also taken care of by one of the sugar companies.

Now, I hope you understand why I cannot support this legislation. I do not like the daddies of this legislation. I am here to tell you that, in my opinion, no member of the Agricultural Committee assisted in preparing this bill, and I am afraid very few, if any, of the Members of this body really are acquainted with the provisions of this legislation.

Oh, let us see what has been going on all of this time. These boys have not been asleep. Oh, no.

Oh, no. They had not been asleep. They had been rendering very good service, efficient service, from the standpoint of the Sugar Trust.

Mr. Chairman, very few realize what an increase of a cent or a half a cent a pound in the price of sugar means. When we deal in sugar we deal in tons—millions of tons—about 7,000,000 tons last

year. An increase of half a cent a pound in the price of sugar means \$10 a ton, \$70,000,000 a year to the American consumer.

But they did not stop there. Do you know, Mr. Chairman, that sugar prices in the last year have gone up over 2 cents a pound, \$40 a ton? That is what has happened. I never heard of the refiners, I never heard of the beet growers or the cane growers complaining about their lot prior to the increase in sugar prices. As a matter of fact, the processors have made more money here of late than they ever made before; and the cane people and the beet people have been getting a fair price and a guaranteed price. In spite of all that, however, prices went up 2 cents a pound, which fleeced the American consumers out of around \$275,000,000 to \$300,000,000 to go down into the jeans of the Sugar Trust boys.

The object of this bill is to peg the price of sugar at around 8 cents a pound so they can continue to make the American housewife and the American consumer pay tribute to the tune of \$300,000,000 per year to the Sugar Trust. That is what it means. Are you going to vote for that?

Now, no one will deny that the main object of this legislation is to increase sugar prices.

But I must get on. There is a lot more I have not time to divulge, but let me get to the bill. Before I discuss this bill, though, let me ask this question: Why the rush? Why? I did not know anyone was considering sugar legislation until the day before the hearings began on June 21.

The CHAIRMAN. The gentleman from Virginia has consumed 30 minutes.

Mr. FLANNAGAN. Mr. Chairman, I yield myself 10 additional minutes.

Whether anyone else knew about it I do not know. I had not been advised. When I got to the committee room I found a mimeographed copy of the bill—and I know where that mimeographed copy came from. Then during the hearings that morning we got a committee print. No one had had an opportunity to familiarize himself with the provisions of the bill; consequently, no one was in position to intelligently examine the witnesses.

Then a most remarkable thing happened. Oh, so many things have happened in connection with this sugar legislation that I can hardly believe my eyes. A remarkable thing happened. The Secretary of Agriculture appeared in support of the legislation. Yes; the Secretary of Agriculture was the first witness in support of this legislation. Now, listen while I read his opening statement. He came to the committee to endorse this piece of legislation, urging on us its passage, yet he prefaced his testimony by telling the committee:

I admit frankly I do not know too much about the provisions of this committee print or suggested bill.

Well, if he did not know the terms and conditions of the committee print and the suggested bill why did he not familiarize himself with them before he came to the committee to advise us? Why, I ask?

Then, what else? Mr. Frank A. Kemp was the next witness. Who is this Mr. Kemp? He is chairman of the executive committee of the American Sugar Beet Institute Policy Committee. He made a most remarkable statement. This representative of the Sugar Trust made the statement he was representing all segments of the industry, from the producer on up to the refiners. He prefaced his testimony by the statement:

You will understand the deep sense of responsibility which I feel because at their request I appear as a single witness on the bill before you on behalf of all five of the great sugar-producing and refining groups.

Those groups included producers and refiners.

That does not square with the fights we had in 1934 and 1937. Something happened to bring them all together, and it is in the bill.

The next witness was a poor fellow who flew all the way from Puerto Rico to get here. He is President of the American Farm Bureau in Puerto Rico, a Mr. Pedro Nido, who stated to the committee that he did not know anything about the legislation until the evening before, at which time he caught a plane to come here and look into it. He got here a short while before the committee started its hearings.

Mr. Chairman, the strange part is that not a single person representing the great American consuming public appeared. The public has been left out in the cold. Not a single representative of the industrial users of sugar in America appeared. This fellow Kemp represented everybody. But I want to tell you that he did not represent me. And I do not believe he represented the Members of this Congress, because I know the Members of this Congress want to do the fair and the upright thing. Now, you wonder why they all got together on this bill. Let us look into it. The bill gives you the answer.

Before I get into that, let me call attention to the fact that the section in the present Sugar Act that gives the Secretary power to fix a fair price for the beets the producers grow, and a fair wage for the men that produced the beets, has been deleted.

Now, I understood yesterday that they are going to offer an amendment that is pretty wordy and lengthy, but important. The amendment was prepared by Robert Shields.

I had a mimeographed copy before it was sent over to the House Committee on Agriculture. The amendment leaves out the beet area entirely. It takes away from the Secretary the power to establish a fair price for beets and a fair wage for those who produce the beets. It applies in a limited way to the cane growers. Well, my goodness, everyone knows that the processors have a monopoly on the cane business, so it is meaningless even if it is adopted.

Now, let us get down here to the guts of this bill. My friends, I want to call your attention, in the beginning, to the fact that this sugar legislation is the most vicious piece of price-fixing ever presented to the Congress of the United States. The bill was seemingly prepared

by someone who believes in the totalitarian system of government. It vests in the Secretary of Agriculture powers that Joe Stalin himself would be glad to obtain. It makes him an absolute czar. But, in that price-fixing he has got to do one thing, that is, protect this sugar price structure that they have built up here within the last year.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield myself such further time as I may desire.

Mr. Chairman, I say it is the most vicious piece of legislation on price-fixing ever conceived by man. These fellows that used to be in the OPA are pikers when it comes to price-fixing. Leave it to the Sugar Trust. How? It operates through quotas. All the Secretary has to do now, if you pass this bill, is to reduce quotas, bring about a shortage of sugar, and force the price up. Under the old act we set down a certain yardstick. We provided a certain yardstick and notched it inch by inch so there would be no doubt about what we intended. Inch by inch we measured off what the Secretary could do. And we said to the Secretary, "In no event can you reduce quotas in America to a point below the 1937-38 per capita consumption of 102½ pounds." We are guaranteed under the present act as much as 102½ pounds per capita. But they left that out.

Then they brought in a new formula for price fixing, stabilizing prices. What did they do? Parity? Oh, no; parity was not sufficient. They passed up parity, and attempted in this bill to tie the 1947 price, which is the highest price we have paid for sugar since 1925, to the cost-of-living index. You pass this bill and keep that formula in it, that can be mathematically figured out, and you will at all times keep the price of sugar way up over the parity price. Oh, yes; the prime object of this bill is to raise the price of sugar.

There is as much sense in adopting such a yardstick for sugar as there would be in having the same formula for corn when corn is selling for \$2.15 a bushel. What they want to do above everything else is to tie to the 1947 price of sugar.

That is what they attempt to do here. That is the only section they are interested in, the revised edition of section 201 of the Sugar Act. If they did not have that in mind, why in the name of high heaven did they bring this legislation in with those changes; taking out the 1937-38 per-capita consumption safeguard, and tying in to the 1947 sugar price? Under the present law the Secretary cannot go below the 1937-38 per-capita consumption in fixing quotas. This safeguard is left out. That is what this bill attempts to do—tie the price of sugar to the 1947 price. If you pass this legislation, you are just imposing upon the American housewife, the consumers of sugar, and the industrial users of sugar, a burden that will amount to \$250,000,000 to \$300,000,000 per year, in my opinion, and you are putting that money right down in the jeans of the Sugar Trust boys. They do not need it.

I saw in the Wall Street Journal just the other day that one of the sugar companies had declared a 100-percent dividend, yet someone was telling the House yesterday that the sugar trust had not made money. They have made money every year, most of the time from 8 to 12 percent, except for the deficit years of 1930 and 1931, when they lost money.

The processors do not need relief, and there is nothing in this bill to give relief to the producers of cane sugar unless they are also processors nor to the producers of sugar beets. Those are the people I am interested in. I am interested in American agriculture. I am here today fighting for the farmers of America who are engaged in the production of sugarcane and sugar beets. I want to see that their interests are protected. In my opinion, the way to protect their interests is to recommit this bill with instructions to the Committee on Agriculture to bring in a bill extending the Sugar Act for 1 year so we can have further time to consider the sugar question. That is the fair thing to do.

I am not against big business. I want to see big business make a profit and make a good profit. I want them to stay in business. However, I do not want them to rob the American consumers. And I do not want to see them put in a position where they can pauperize the beet producers and the cane producers.

Continue the present Sugar Act. That is the thing to do. We are making a general study of agriculture. Our committee has been engaged many days in hearing testimony with the object of bringing in certain recommendations covering the whole field of agriculture. Our committee should include in their study the sugar problem. Let us continue this legislation for a period of 1 year. It is working all right. The industry is making plenty of money. The cane producers and beet producers have no complaint. That is the fair thing to do and it is the decent thing to do, in my opinion.

My friends, it has not been an easy matter to reveal just what has been going on and I have not revealed all of it. It has not been a pleasant task. But knowing these things, I thought it was my public duty to bring them to the attention of the House. Now, I have performed my duty. I am going to offer a motion to recommit, and I hope it will be the pleasure of the Membership on both sides of the aisle to vote for the motion to recommit because this is not a political question. It is a matter which affects every home in the land. We should stand up here in the face of the sugar trust and let them know that the American Congress is still legislating in the interest of the people of this country and not for any particular class or section.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. PETERSON. Is it not true that under the present bill there is no guaranty of a fair return to the producer, but only a guaranty to the processor,

and the only way the producer can get that is through a contract?

Mr. FLANNAGAN. That is right. You are just wiped out entirely if you are a producer unless you are in the cane producing area, and there it takes a substantial number to petition for relief. And in the cane area, as you know, most of the cane is produced by the processors. Hence the provision is meaningless. But if you are in a beet producing area, no. The producers and laboring man are both denied the protection.

Mr. Chairman, before I close let me give the House a brief statement of the Sugar act and an analysis of section 201 of the Sugar Act of 1937 and an analysis of the same section in the legislation we are considering.

Under ordinary circumstances there is a great sugar surplus. In an effort to stabilize the sugar industry the Congress attempted, through the quota system, to keep the surplus supply from being dumped on the American market. This was done by giving the Secretary of Agriculture the authority to determine at the beginning of each year the amount of sugar needed to meet the requirements of consumers in continental United States, section 2012. The Sugar Act of 1937 provided the yardstick by which the Secretary was to measure the requirements.

Now this method, everyone knows, is the most vicious kind of price fixing. If the Secretary sets the quotas at a figure that will keep supply and demand in balance, well and good. If, however, the Secretary sets the quotas at a point below the demand level, thereby creating a sugar shortage, the price of sugar will immediately skyrocket. If, on the other hand, the quotas are set at a point greatly in excess of the demand level, the reverse will be true, because a surplus supply will be created and the price will fall.

For these reasons the Congress, in order to protect the interests of producers, processors, and consumers, was careful in working out the yardstick to guide the Secretary in annually measuring the quantity of sugar needed to meet the requirements of consumers. This yardstick, that is, the yardstick in the Sugar Act of 1937, has, in my opinion, been fair, and its fairness is demonstrated by the fact that producers have been obtaining a parity price, or better, for their beets and cane, processors have been making a reasonable profit, and consumers have been obtaining sugar at a reasonable price.

Now, let me give you the inches in the Secretary's yardstick that he is to use in measuring quotas under the Sugar Act of 1937 and the proposed legislation:

SUGAR ACT OF 1937

1. Consumption of sugar during preceding year is to be taken as a base.
2. To such base, proper allowances are to be made for deficiencies or surplus in sugar inventories.

SUGAR ACT OF 1937

3. Allowances are to be made for changes in consumption because of changes in population and demand conditions.

4. In order that the "act shall not result in excessive prices to consumers, the Secretary shall make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available to consumers shall not result in average prices to consumers in excess of those necessary to maintain the domestic sugar industry as a whole."

5. "The amount of such additional allowance shall not be less than the amount required, after allowance for normal carry-over, to give consumers in the continental United States a per capita consumption equal to the average of the 2-year period 1937-38." The average consumption during the 2 years amounted to 102.6 pounds per capita, and under the present Sugar Act the Secretary cannot reduce the quotas below this limit.

PROPOSED ACT

3. Same.

4. This language has been changed in the proposed act to read: "Such determination (for additional sugar) shall be made so as to protect the welfare of the consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices (average prices left out) which will not be excessive to consumers, and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry (as a whole left out)."

5. This provision is left out of the proposed act. Hence no limitation on amount of reduction.

6. The Secretary, in making any such determination, in addition to the above, "shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States, as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtained during 1947, prior to the termination of price control of sugar, as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor."

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there is no one in this House for whom I have greater regard

and affection than the gentleman from Virginia with whom I have worked on the Committee on Agriculture for many years. I am sure that he is very much in earnest and very sincere in what he has said this afternoon in respect to this bill. At the same time, I believe he is entirely wrong in the conclusions he has reached in regard to this legislation. I cannot believe that all of the other members of the Committee on Agriculture, and the Secretary of Agriculture, the Secretary of the Interior, the State Department, and the administration, as well as 33 Senators who have introduced an identical bill in the Senate, have been fooled. I cannot believe the gentleman from Virginia [Mr. FLANNAGAN] is the only man who knows what is in this legislation.

Mr. FLANNAGAN. Will the gentleman yield?

Mr. HOPE. I yield briefly.

Mr. FLANNAGAN. I am frank to admit that I do not know what is in this legislation. I have just touched the high spots. I do not know how many other "jokers" there may be in it.

Mr. HOPE. I agree with the gentleman. I do not think he does know what is in the legislation. If he did, I do not believe he would have made the statements that he did. But I am glad the gentleman has shown such concern for the consumers of this country. I am thoroughly in accord with him on that, because this bill, to a greater extent than any other agricultural bill that this Congress has ever considered, takes care of the interests of the consumer.

The gentleman from Virginia [Mr. FLANNAGAN] is interested in tobacco. He comes from a great tobacco-growing State, yet we have on our books today legislation dealing with tobacco, which is more restrictive as far as the quantity of tobacco which may be produced and marketed is concerned, than this bill is with reference to the production and marketing of sugar.

Mr. FLANNAGAN. Will the gentleman yield? I cannot let that statement stand.

Mr. HOPE. Not now. Let me finish, and then I will yield to the gentleman.

Furthermore, I have never known the gentleman from Virginia at any time, when we had tobacco legislation before this House, to show the great concern for the consumer that he is showing for the consumer today in connection with sugar legislation.

Let me tell you what the Congress has done as far as tobacco is concerned. In 1933 Congress passed the Agricultural Adjustment Act. It established parity prices on agricultural products. At that time, in response to the demands of the tobacco industry, we gave that commodity a separate parity base, so as to provide a higher parity price than they would have gotten under the 1909-14 base period, which was made applicable to other agricultural commodities. For tobacco the period was fixed as 1919-29.

They were not satisfied with that, and in 1940 they came in again and they said we did not give them a high enough parity price, so the Congress changed the

base period for burley and flue-cured tobaccos to 1935-39, which was more favorable. Nothing was said at that time about protecting the consumer. I did not hear the gentleman from Virginia who was a leader in the matter say a single word for the consumer at that time.

Then, to cap the climax, 2 years ago, in July 1945, the gentleman from Virginia [Mr. FLANNAGAN] sponsored a bill which provided that for certain types of tobacco the rate upon which the Commodity Credit Corporation would make loans, should be placed as high as 142 percent of parity on one variety and 157 percent of parity on another variety. My friend from Virginia who was leading the fight for these high prices said not one thing about protecting the consumer at that time.

Mr. FLANNAGAN. Now will the gentleman yield?

Mr. HOPE. In just a moment I will be through with tobacco and then I will yield to the gentleman.

And I do not want anybody to tell me that the drastic restrictions on tobacco production have not brought about an increase in the price of tobacco, because, according to statistics from the Department of Agriculture, in 1946 burley tobacco was 315 percent of the price it was in 1932. Fire-cured tobacco was 433 percent; dark air cured, 549 percent; Virginia fire cured, 360 percent; Virginia sun cured, 397 percent of what it was back in 1932.

In comparison with that the price of sugar beets was 260 percent of what it was in 1932 and sugarcane, 266 percent.

In this bill we are attempting to take care of the consumer. We had 3 days of hearings upon this bill at which time anyone representing the consumer or any interest in the industry could have appeared. I did have representatives of sugar-consuming groups, industrial users, come to my office. At first they suggested that possibly the bill should not run for a 5-year period. They said they wanted to see just what the effect might be. Later they came back and said they did not care to be heard, that they had studied the matter further and they were satisfied with the formula set up in the legislation.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield now?

Mr. HOPE. Yes; briefly.

Mr. FLANNAGAN. I do not think the gentleman knows much more about tobacco than he accuses me of knowing about sugar.

Mr. HOPE. I do not pretend to be an expert, what I have been telling the committee about tobacco is a matter of public record available to anyone.

Mr. FLANNAGAN. Speaking of one tobacco product, Chesterfield cigarettes, in 1932 when the four big companies in America paid more in dividends to their stockholders than every grower of tobacco in America received for every brand of tobacco grown, I paid 15 cents for a package of Chesterfield cigarettes, and this morning down town I paid 15 cents for a similar package of Chesterfields.

The gentleman should remember further that the tobacco program is sub-

mitted to the tobacco growers and they vote on it; it is democratic. Here under this bill everything is vested in the Secretary of Agriculture after you hogtie the thing.

Mr. HOPE. But the tobacco growers vote under duress. They know they will not have price support unless they vote for quotas. Furthermore, there is no one present representing the interest of consumers when tobacco producers vote on quotas. Here the Secretary of Agriculture is directed to take the interest of consumers into account in determining quotas.

Mr. COOLEY. Mr. Chairman, if the gentleman would yield, I suggest that he quit talking about tobacco and begin to tell us what is in the sugar bill.

Mr. GROSS. Yes; maybe that would be well; maybe the tobacco fellows cannot take their own medicine. The rest of us sat and listened to them for a long enough time.

Mr. HOPE. Let us talk about sugar. I have gone as far as I wanted to go on tobacco.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. BOGGS of Louisiana. The gentleman from Virginia talked about the allocation provision not carrying any protection assuring a fair wage and price to the grower. Is it the gentleman's interpretation of the amendment the gentleman intends to offer that the amendment will provide a fair wage and a fair price in the can-growing areas?

Mr. HOPE. Yes; that is the intention. The provision if it is adopted by the House will afford a fair wage scale and fair prices.

Mr. FLANNAGAN. If a substantial number petition the Secretary.

Mr. HOPE. Yes; and they will.

Mr. FLANNAGAN. I do not know what a substantial number means.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield at that point?

Mr. HOPE. Let me continue. My time is getting short and I want to talk about the provision in the bill to which exception was taken by the gentleman from Virginia.

Mr. MURRAY of Wisconsin. The gentleman had better yield now at this point.

Mr. HOPE. I am not going to yield to the gentleman right now. I will yield at the proper time.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, yesterday I quoted from section 201 of the bill which is the quota provision section. That is the section in which the power is vested in the Secretary of Agriculture to determine the over-all quota. I called attention at that time to the provisions in that section which the Secretary of Agriculture must use in determining the over-all quota which, of course, is the only thing in the bill which affects price. Here are the things that the Secretary must consider:

In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for con-

sumption, as indicated by official statistics by the Department of Agriculture, during the 12-month period ending October 31 next preceding the calendar year for which the determination is being made.

That is one thing he considers. Here are others:

And shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government.

He must take all those things into consideration. Now, listen to the consumer angle of it:

And, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer-purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar.

That, of course, is analogous to the parity provision. As far as it is used in determining quotas it simply means that the price of sugar in any subsequent year will not be out of line with the general price index in those years. In other words, the relationship will be comparable with what it is now. If the price of sugar had gone up like the price of beef cattle, flax, or some other farm products, it might be said that is an unfair relationship, but everyone knows that the price of sugar has been under control. It has not advanced as much as the general level of agricultural commodity prices. It is a fair price and is a fair basis to use as one factor in determining the future price of sugar.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. Is it not a fact that in the case of sugar the price of sugar to the consumer was controlled almost 1 year prior to the enactment of the price-control legislation, and that it is still controlled despite the fact OPA has been out of existence for nearly a year?

Mr. HOPE. That is true; it is the last commodity to be left under control.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Utah.

Mr. GRANGER. Is it not fair to say that this legislation is essential to the legislation on sugar that we have had since 1934, as amended in 1937? There is not very much difference, is there?

Mr. HOPE. That is absolutely correct. As far as most of the language of the bill is concerned it is exactly the same. On yesterday, when I discussed

the bill, I pointed out the few changes that were made as compared with the present law.

Mr. GRANGER. And the language that is added if it does anything it is to protect the consuming public, is that not true?

Mr. HOPE. That is the reason we have that language in the bill; to protect the consuming public.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself two additional minutes.

Mr. Chairman, the gentleman from Virginia was critical because he said there was not included in section 201, the provision contained in the 1937 act to the effect that the supply of sugar must be equal to that which prevailed in 1937 and 1938.

Now, that was undoubtedly a good provision at that time. It would not be a good provision and a fair provision at this time because no one could know what the normal consumption of sugar would have been for this year if we had had all the sugar which consumers desired.

I call attention to the fact that the consumption of sugar fluctuates considerably even in normal times. During the war years, per capita consumption was 111 pounds in 1941; in 1942 it dropped to 92 pounds; in 1943 it was 36 pounds; in 1944, 95 pounds; in 1945, 78 pounds; and in 1946, 78 pounds. Now, we have no recent normal year which we can use as a basis for determining what is a normal consumption of sugar but we do have in this bill the provision that the Secretary must take into consideration the consumption during the previous year. In addition to that we have what I have already discussed as being a fair comparison, and that is the comparison with the cost of living during a year when we had price controls on sugar.

No one knows what the consumption of sugar may be during the next 5 years because our dietary habits to some extent have changed during the war. We have increased our consumption of some commodities and we have decreased consumption of others. Furthermore, the shortage of sugar during the war years has resulted in industrial consumers making use of substitutes. No one knows whether those substitutes will continue to be used or not. Mr. Chairman, in my opinion section 201 in the present bill is fair in every way to both producers and consumers.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, this is an interesting discussion this afternoon. Of course, some of us on the Committee on Agriculture are surprised and disappointed in our good friend, the gentleman from Virginia [Mr. FLANNAGAN]. No one in this House holds any higher regard for him than I do.

EXPLANATION OF SUBSECTION (C) OF SECTION 301

Section 301 (c) of the bill would continue the authority of the Secretary in any domestic sugar-producing area to condition the making of payments to producers therein upon compliance, in addition to other requirements, with fair wage and price determinations as now provided for in the Sugar Act of 1937, as amended. However, this authority could be exercised with respect to a particular crop in any such area only if both of two conditions are found to exist therein, first, producers therein, who are also processors, produce in excess of 5 percent of the total production of sugar beets or sugarcane in such area, and, second, request for such determinations with respect to such crop is first made by persons constituting, or representing, a substantial proportion of the producers, processors, or laborers in such area who would be affected by such determinations. The subsection also provides that in the case of the mainland cane-sugar area, the authority shall apply separately to the States of Florida and Louisiana, that is, the conditions may be applicable in Louisiana and not in Florida, or vice versa.

Under the terms of this subsection, the fair-wage and fair-price provisions of subparagraphs (1) and (2) operate as a unit. In other words, if the fair-wage determination is applicable in any area, so is the fair-price determination and vice versa. Only the application of both determinations—not just one of them—may be sought.

The subsection also provides that persons constituting or representing a substantial proportion of the producers, or the processors, or the laborers, in any area otherwise subject to the terms of this amendment who would be affected by the determinations may request the application of the fair wage and price determinations. In other words, persons constituting or representing a substantial proportion of the sugar-beet or sugarcane producers in any area, otherwise subject to the terms of this amendment, may request the application of the fair-price determination—in which case, of course, their request would be construed to cover the application of the fair-wage determination, too. On the other hand, persons constituting or representing a substantial proportion, as determined by the Secretary, of the sugar-beet or sugarcane laborers, in any area otherwise subject to the terms of this amendment, would be able to invoke the application of the fair-wage and fair-price determinations in such area.

In areas where less than 5 percent of a crop is produced by producers, who are also processors, competition among processors for a producer's crop, competition of alternative crops which a producer may plant, and the prevalence of family-sized farms competing for labor, create an over-all competitive situation where no significant contribution may be made by the application of the fair wage and price provisions in these areas. At the present time producers in the domestic beet-sugar area, who are also processors, are producing less than 5 percent of a crop—that is, are legal owners at the

time of harvest of less than 5 percent of the crop.

EXPLANATION OF SECTION 201

One of the most important sections of the bill which would be the Sugar Act of 1948 is section 201 which provides for determination by the Secretary of Agriculture of the total quantity of sugar to be made available to consumers in the United States under the quota system established in the bill. In preparation of the bill a great deal of thought and discussion was devoted to the provisions of this section.

The proponents of the bill were keenly aware of the necessity for providing adequate safeguards for the interests of consumers and of the domestic sugar industry. They were also fully aware of the pitfalls which would lie in seeking to accomplish this by laying down a rigid formula to be used to determine specific quantities of sugar for consumers or specific prices in the sugar markets. Accordingly, there is not to be found in the bill any formula or authorization for fixing the price of sugar nor any rule limiting supplies of sugar to a predetermined quantity. The endeavor has been to state clearly the policy to govern determinations which will affect supplies and prices, to provide definite standards, but yet to leave adequate administrative discretion to deal with new and changing circumstances as they arise.

As contained in the bill, section 201 establishes a definite objective which the Secretary is directed to accomplish in making determinations under the section and sets forth a number of specific standards which must be taken into consideration by the Secretary. This objective, in the language of the bill is "to protect the welfare of consumers and those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry."

The specific standards to be considered by the Secretary are as follows: First, he uses as a base the quantity of sugar consumed during the 12 months ending on the preceding October 31. Next, the Secretary makes adjustments in this figure for any deficiency or surplus of inventories of sugar. He also allows for changes in consumption because of changes in population and demand conditions. The Secretary then must give consideration to the level of consumer purchasing power and the trend of such purchasing power, whether rising or falling. Finally, consideration is to be given to the relation of the price of sugar to the general level of the cost of living. For this purpose the base period for comparing such relationship is the year 1947 up to the termination of price control on sugar. This means that uncontrolled sugar prices are not to be taken as a standard; rather, the prices of sugar under ceilings are used in comparison with the general cost of living during a time when most components have been unregulated and have risen sharply.

There have been two principal questions raised in regard to the provisions

of section 201. Some have protested that the standards are not adequate to assure that consumers will have adequate supplies of sugar at reasonable prices. In this connection, it is to be noted that this bill omits a minimum supply standard contained in the Sugar Act of 1937. This standard provided that per capita supplies should be not less than average per capita consumption during 1937 and 1938. This has been omitted from the bill because it is a rigid type of formula which might be inappropriate for future years and, consequently, constitute a potential danger which the bill seeks to avoid. The retention of this rigid minimum is believed unwise because of the increase during the war in consumption of sugar substitutes, the changes during the same period in diets and sugar-using habits, and the wide historic fluctuations in per capita sugar consumption. The bill substitutes a more flexible but also a more workable formula. While clearly and intentionally not a rigid formula, nevertheless, the standards provided in the bill for sugar are much more comprehensive than those provided in existing legislation for establishing marketing quotas for tobacco—a crop which has been rigidly controlled since 1934. The Agricultural Adjustment Act of 1938 defines "a normal year's domestic consumption" for purposes of limiting supplies of tobacco coming to market merely as the average consumption of the 10 preceding years adjusted for current trends in consumption.

The other principal question which has been raised about section 201 of the bill is whether it adequately safeguards the welfare of producers or whether a more rigid and binding price formula should not be included, such as some adaptation of the parity formula. The conclusion of those responsible for the bill is that it would not be wise to write into the bill a firm price standard. While a formula might at the moment yield a price fair to both producers and consumers, it is virtually certain that as time passes and circumstances change, such a formula would inevitably result in setting prices either too high to be fair to consumers or too low to give adequate protection to producers. For this reason the bill, while specifying a price standard, confines the effect of this standard to being one of several factors which are to be taken into consideration.

Even so, it has been suggested that this price standard will require that consumers pay unreasonable prices for sugar. Any such criticism is clearly not warranted by the facts. In the first place, as has already been pointed out, the bill contains no authorization for fixing prices. It is true that prices will be substantially influenced by the supplies of sugar made available under the quotas, but, while the Secretary is required to give consideration to the probable price result of any supply determination, he is also required to consider other factors, including, for example, the level of consumer purchasing power. Moreover, the price standard that is to be considered relates the present price of sugar, under ceilings, to the present general cost of living which is almost entirely free of price control. Thus, to the extent price

is to be a controlling guide, a higher price for sugar would be called for only if, and to the extent that, there may in the future be a further rise in the general cost of living. Conversely, when and as the cost of living declines this price standard will mean a proportionately lower price for sugar. From the standpoint of producers, this price standard, by requiring consideration of changes in the cost of living, assures that due account will be taken of the rise or fall of the general level of prices which will reflect, though only roughly, the changes in costs of producing sugar.

Again, keeping in mind that the price standard in this bill is only one of several standards to be followed and not a rigid formula nor an exclusive standard, it is enlightening to examine the results that would have come about had this standard been exclusively and rigidly followed in the past. During the course of the public hearings on the bill, the House Committee on Agriculture was supplied by the Department of Agriculture with computations for the prewar years 1938 to 1940 showing the prices for sugar and the returns to producers of sugar beets that would have resulted from a rigid application of the price standard of this bill. These computations show that had price been the only standard to be followed, the effect on consumers would have been an increase of approximately two-thirds of a cent a pound in the average price of sugar. Similarly, the increase in returns to producers would have been 96 cents per ton of sugar beets.

This analysis of section 201 should make it abundantly clear that any criticism of this bill on the ground that it seeks either to gouge consumers or to sacrifice the welfare of producers is not substantiated by the facts. Examination of the bill will show that it contains adequate safeguards for producers and consumers alike and is a bill which will promote the general welfare of our country.

The interesting thing about this bill is that it makes very, very few changes in the original bill as our Chairman, the gentleman from Kansas [Mr. HOPE], has mentioned. Now, let us straighten out just a few things in the general plan of the legislation. I am surprised that anyone would stand in the well of this House and say this did not represent the producers' views. Now, I do not know who represents the producers if I do not. I am talking about sugar beets. In my territory there are hundreds of them. There are 12 sugar-beet factories and one molasses factory in my district. Those sugar-beet growers, the farmers, have been working on this legislation off and on since the first of the year. There is nothing new about this legislation. There is no angle of this legislation that those gentlemen from the grass roots, from the very part of the country where they produce the beets, have not been acquainted with, and in every conference they have studied long and hard and tried their best to come out with some compromise measure. And, that is what we have in this legislation. It is not all any of us would have, but it is the best legislation that you will possibly get at this session, and if you do not accept this legislation, we will probably be asked to pass a continuing resolution, and if you

pass a continuing resolution, you have left out the very things that we think ought to be corrected to bring the sugar legislation up to date.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from California.

Mr. GEARHART. In the long years that the gentleman and I have served in the Congress, let me ask him if he has ever known of an instance where the various producers of agricultural products or the various sugar-beet and sugarcane growers are in such complete harmony as they are in this bill.

Mr. HILL. I am told that this is the first time in the history of sugar-beet and sugarcane legislation that all the various groups have finally compromised their differences and O. K.'d any type of legislation on sugar.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. If you pass a continuing resolution, you will leave out the provision protecting the consumers, will you not?

Mr. HILL. You will leave out all provisions that the Chairman read to you yesterday and today.

I will tell you another most important thing, because if you pass a continuing resolution you can only continue the bill as it is. When you continue this bill as it is—I wish you would get this; I do not believe a former speaker has mentioned it—the entire production of sugar cane in the islands of the Philippines, that is supposed to be sent to this country as their quota, and cannot be shipped and will not be shipped, will go to what countries? I will tell you what countries will get it: the countries that are under full duty, that did not do a single thing to produce more sugar for this country and our allies during the war. That is enough reason for every Member in this House, that is enough reason for every consumer in this country, to be for this present bill without any other reason whatsoever.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Is it not true that the State Department and the Department of Agriculture have agreed to this bill?

Mr. HILL. This bill comes to you with the support, shall I say, anyway with the approval, of the State Department, the Agriculture Department, and the Interior Department. You say, "Why the Interior Department?" Because they have something to do with our outside territories.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. DINGELL. The gentleman remembers that we brought in a bill from the Committee on Ways and Means, which among other things covered sugar. I happened to be the chairman of the subcommittee at the time, and my dis-

tinguished friends from California and Nebraska, among others, were on the subcommittee. It was provided in that bill that there should be established certain quotas for the Philippines relative to sugar. Does this bill in any way, shape, or form detract or alter the quotas or in any way impair the benefits accruing to the newly-established Philippines Republic as provided for in the Philippine Trade Act?

Mr. HILL. In no way whatsoever. This bill simply takes the 98 percent of the quota for the Philippines that they cannot fill and allots it to Cuba during this period when the Philippines are trying to get back into production. Remember, we asked Cuba to increase its production, and this is to assist Cuba to get down to the level of prewar production.

Mr. DINGELL. But because the Philippines are not able at this time to fulfill their assigned quota, they will not in any way be handicapped or their interests jeopardized either now or in the future?

Mr. HILL. Exactly.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Utah.

Mr. GRANGER. Is it a correct statement to say that in this bill the treaty with the Philippines is absolutely adhered to?

Mr. HILL. That is correct.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Colorado.

Mr. CHENOWETH. A large number of Members of the House have expressed their desire to stimulate, promote, and expand the sugar-beet industry as well as the cane industry of this country. I wish the gentleman would call the attention of the House to the fact that under this bill that expansion is made possible.

Mr. HILL. The gentleman is correct.

Mr. DINGELL. In other words, as I understand, the Cuban advantage of supplying whatever deficiency may occur because of the inability of the Philippines to fulfill its quota is only a temporary advantage?

Mr. HILL. That is exactly correct.

Mr. DINGELL. It reverts to the Philippine Islands when they are able to supply their quota?

Mr. HILL. That is right. It was put in this bill for the express purpose of assisting not only Cuba but the Philippines. Remember that Cuba increased her sugarcane acreage during the war because we asked her to. In addition, this is the first time that Cuba and the continental area, shall I say, have come to an agreement on a sugar bill presented to this House.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I do not want the record to get off on the wrong tangent here as the result of statements by two good friends from Colorado, the gentleman who is now speaking and Mr. CHENOWETH. Where is the language in this bill that provides for the expansion—

I am choosing my words—the expansion of the domestic-sugar industry, beet or otherwise?

Mr. HILL. Under this present bill the tonnage is set at 1,800,000.

Mr. CRAWFORD. That is on beets?

Mr. HILL. That is right. That is, in round numbers, 100,000 more tons than the usual production of beets in this country.

Mr. CRAWFORD. But at this moment we have the productive capacity in the form of mills ready to run and produce 1,800,000 tons, have we not?

Mr. HILL. I question that. You may have the mills and you may have the land, but I question the possibilities of having a full crop.

Mr. CRAWFORD. We are writing sugar legislation here and we must watch our words so that our enemies will not use our words against us in the future. I again ask the gentleman who now has the floor or any other gentlemen of the House to show the language in this bill where it permits the expansion of the domestic sugar industry.

Mr. HILL. Undoubtedly, the answer to that is that the Secretary of Agriculture or someone has to manage this sugar legislation. That was the next thing I wanted to talk about.

The Secretary of Agriculture has the absolute right to say that the top production of sugar shall be so many tons. If he wants to make it 8,000,000 tons, he can do so.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield for an observation?

Mr. HILL. I yield.

Mr. FLANNAGAN. Under this bill the continental beet acreage and continental cane acreage is absolutely frozen for 5 years, so, of course, it could not increase even 1 acre.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. CRAWFORD. I am not speaking against the bill. I simply want the facts brought out in the debate. I am a believer in the expansion of the industry.

Mr. HILL. I still insist that I am correct—that we could at least increase the beet acreage.

Mr. CRAWFORD. Oh, that is a different story entirely.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HOPE. Mr. Chairman, I yield the remaining time on this side to the gentleman from Colorado.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. BOGGS of Louisiana. Representing one of the largest cane producing areas in the Nation, it is our opinion that this bill allows for usual and orderly expansion of the industry in our area.

Mr. HILL. It will do the same for the beet producing areas and I am convinced it will.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. FLANNAGAN. I know the gentleman wants to be fair. I know that this statement is true—I know this much

about the bill—that if this bill passes you freeze the beet acreage for the next 5 years and you freeze the cane acreage because you set quotas up absolutely, not on a percentage basis, but absolute quotas for 5 years for cane and beet acreage in the continental United States.

Mr. HILL. Of course, there is always a difference of opinion.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. HOPE. If we did what the gentleman from Virginia urges, which is to extend the present act, it would freeze them at a lower rate instead of at a higher rate.

Mr. HILL. Absolutely. Regardless of that, if any area in this country is short in sugar production, the Secretary of Agriculture still has the right to increase the acreage under this bill; and if you will read the bill carefully, you will come to the same conclusion.

Let me go back to the point where I was interrupted when the Members began asking questions.

I would like to call the attention of the House in answer to the argument offered by the gentleman from Virginia that, first of all, since 1934 you have had a controlled price on sugar, both wholesale and retail. In 1934, sugar prices went under the control of a director—shall we call him that. Since 1934 you have had that, and there is no use talking about water that has already gone over the dam. That is the way the bills have been written. That is the way the laws have been signed, and that is exactly how the sugar economy of this country has operated—under a dictator, if you want to call it that—since 1934.

Mr. CLEVINGER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. CLEVINGER. Is it not true that in the beet area certain farms carry a limitation of acreage and it is an area control at most? If it is a limitation, it is not such a one as in Virginia or North Carolina. If a farmer has no quota he may get one.

Mr. HILL. That is right. Anyone can grow beets if they have the land. In our territory, both the farmer and the beet processor agree on contract that the farmer can grow a given acreage of beets if they think it will produce beets worthwhile—in other words, if the beets have a high enough sugar content and produce sufficient tonnage so that the farmers can make a little money as well as the sugar company.

I would like to call the attention of the House to the price of sugar, wholesale and retail, in 1934. The price of refined sugar in 1934 was 4.43; the retail price of sugar was 5.5. In 1935, the refined price was 4.85 and the retail price was 5.7. In 1940, the refined price was 4.34 and the retail price was 5.2. In 1945, the refined price was 5.39 and the retail price was 6.7. So you will find the prices almost paralleling one another. As the price of sugar went up wholesale, the price retail went up; and as the price wholesale went down, the price retail went down.

I cannot talk for the cane sugar people, but I hold in my hand yearly beet con-

tracts since 1938, and they have always been taken care of by the sugar company. As the price of sugar rises wholesale, the price of sugar beets rises to the farmer. I am surprised that anybody would get up on this floor and say that the farmer did not get the benefit when the wholesale price of sugar increases.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. GRANGER. As the chairman of the committee said, this is substantially the same sugar legislation we have had since 1934. That is right, is it not?

Mr. HILL. That is correct. If it was bad legislation in 1934, it is bad legislation now.

Mr. GRANGER. What I wanted to call to the attention of the gentleman is the fact that this is New Deal legislation. It is good legislation, is it not?

Mr. HILL. Well, what does that prove?

Suppose it is New Deal legislation. I do not question that. If they offer something good, why should not the Republicans accept it and help the New Dealers clean house?

Mr. GRANGER. I am happy the gentleman feels that way.

Mr. HILL. Oh, the gentleman knows I feel that way.

Let me say this. The growers share, on a percentage basis, any increase in the price. For example, if the net price of sugar was \$7.25, the growers received \$11.55. If the net price of sugar was \$7.50, then the growers received \$11.96. That is exactly the way that contract is written. It is exactly the way the contract has always operated. The grower benefits when the wholesale price of sugar rises. It is the only product I know of that has been handled on that basis. As I said before, I think the sugar economy of this country has been handled in the finest and most efficient way of any food product we have controlled. Can anyone suggest a better plan of operating our sugar economy?

I am sure this House should support this bill unanimously.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Sugar Act of 1948."

Mr. BOGGS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened with a great deal of interest to the entire debate on the Sugar Act which is now under consideration by this body. I believe that practically every person who has studied this bill favors its enactment.

I listened with much interest to what my distinguished friend, the gentleman from Virginia [Mr. FLANNAGAN], had to say. As I understood his argument, the essence of it was that this bill would gouge the consumers of America. I believe we should attempt to enlighten the House on that point. I think that actually there has been no industry which has cooperated more to preserve a fair price to the consumers than has the sugar industry.

In the first place, as I pointed out a moment ago, sugar was regulated by the Office of Price Administration for many months before the Price Control Act of 1942 was enacted. After the regulations on all other commodities were taken off last year the controls on sugar were maintained, and today sugar is still a controlled commodity. The price of practically every other commodity has gone up tremendously, as everybody knows. When the demand for corn, for beef, for hogs, for cotton, tobacco, and a great many other agricultural commodities became intense there was such a scream and holler throughout the country that the Administration was forced to remove controls, but the sugar industry not only did not ask that those controls be taken off but appeared this year before the Committee on Banking and Currency and insisted that those controls be maintained until March 1, 1948; and it was upon the insistence of this body that we removed those controls effective October 31, 1947. I think that is a fine record.

When you take the price of sugar today compared to what it was 2 years ago, 3 years ago, or 10 years ago, and then compare the price of beef, wool, cotton, wheat, or corn to what it was on similar dates, I think the record needs no further defense.

I think it is a great reflection upon the Members of this body who represent sugar-growing areas that the inference should be made that we have been taken in by some mythical Sugar Trust. We have approximately 17,000 small sugar producers in the State of Louisiana. They are familiar with this legislation. They consider this legislation fair. They think the sugar industry can expand and grow under this legislation. They have had to make concessions, the beet people have had to make concessions, Hawaii has had to make concessions, Cuba has had to make concessions, Puerto Rico has had to make concessions—the Philippine treaty provisions have been lived up to—but we have drafted a bill which I feel is fair. It will stabilize the industry, it will guarantee a fair price to the producer, to the farmer, and to the worker. I want you to think about the farmers and workers for just a moment.

Word came to us that it was contemplated in this bill that the guaranteed wage to the worker and the guaranteed price to the grower would be removed. The gentleman from the Third District of Louisiana [Mr. DOMENGEAUX] immediately presented our point of view and we showed how these provisions had worked harmoniously in the State of Louisiana and had contributed to splendid relations between the worker and the grower and between the grower and the processor. We are very glad that the committee is going to offer an amendment to maintain this practice. It has been eminently fair social legislation insofar as the cane-producing areas are concerned, and we hope the House will adopt it.

I, too, agree that it is a miracle that all these interests have come together, but they have done it through mutual self-sacrifice and not through a desire to gouge any segment of the American

people. I say that any man who makes charge to the contrary is misrepresenting the facts.

When the Eightieth Congress first convened, it was my inclination and purpose to propose that the United States market for sugar should be first supplied by the domestic sugar-producing areas. Whatever consumption requirements remained, it would have been my plan to allocate among foreign sugar producers, by setting up quotas against such areas each year.

In the meantime, at the suggestion of the Secretary of Agriculture, the Honorable Clinton P. Anderson, the domestic sugar areas began to hold meetings with a view to determining whether they could reach an agreement upon a sugar program which could be supported by the executive departments of our Government. It seemed to me an impossible task, however desirable. In fact, the chairman of the Agriculture Committee made a similar statement at the hearings before his committee, but what has been called a legislative miracle has been performed.

The representatives of the industry who worked hard and long to bring about this desirable result deserve to be congratulated. They have performed a most difficult job in such a way as to offer attractive provisions in the bill for each one of the areas, whether domestic or foreign.

In the case of my own State of Louisiana, I am supporting this bill because it offers to the producers of sugarcane and of sugar, a satisfactory program that will have a stabilizing effect throughout the 5-year term of the proposed act. Taken as a whole, it offers to the growers of sugarcane a production in the mainland cane area which permits a very considerable increase over the provisions of the Sugar Act of 1937. The quota of 500,000 tons for the mainland cane area should be adequate to permit full crops each year which can be processed within the existing capacity of our sugar houses. Few agricultural crops have such a prospect practically guaranteed for a period of 5 years.

A provision which impresses me as being eminently fair is to be found in section 201 which authorizes the Secretary of Agriculture to make estimates of consumption each year for the purpose of determining quotas. This provision seeks to maintain the relationship which exists during 1947 between the cost of living and the price of sugar. Mr. Chairman, the price of sugar is still under Government control. By virtue of an act of Congress, the Secretary of Agriculture is continuing the controls over the price of sugar which were formerly exercised by OPA. Recognizing this controlled price of sugar as being fair to the consumer as well as reasonable for the producer of sugar, the proposed bill seeks to maintain the relationship between the cost of production and the price at which sugar sells. It appears to be somewhat of a paradox to state that a price which is fair to the consumer can nevertheless be fair to the producer. But, if the price which the producer is

to receive will continue to reflect his cost of production by the use of the cost-of-living index, then the consumer in the United States will be protected against the possibility of excessive prices such as prevailed following World War I. Moreover, as the cost of living, which means the cost of producing sugar, is reduced in the future, it is fair to the consumer that a proportionate reduction shall be reflected in the price of sugar just as much as it is fair for the producer that under a reduced cost of production, it is reasonable for the Government to anticipate a decreased price for the sugar product. Therefore, I have come to the conclusion that the representatives of the various elements of the domestic sugar industry have adopted a very wise and practical program when they have set fixed quotas for the domestic areas and provided for the remainder of the consumption requirements to be supplied by foreign areas. I frankly did not think that it would be possible to arrive at fixed quotas for domestic areas which would be acceptable to each of the areas. Having accomplished this seemingly impossible objective, I am now able to appreciate the certainty, the assurances, and the stability which this bill offers to the domestic sugar industry, and at the same time, I am convinced that they have dealt fairly and generously with Cuba and the Philippine Islands. In proof of this fact, we have the assurance of the Secretary of Agriculture that this bill is approved by the Secretary of State and the Secretary of the Interior and is within the administration's policy and program.

The CHAIRMAN. The time of the gentleman from Louisiana has expired; all time has expired.

The Clerk read as follows:

TITLE I—DEFINITIONS

SEC. 101. For the purposes of this act, except title V—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) The term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure, but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.

(e) The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 percent or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) The "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing 96 sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing 92 or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07;

(2) For sugar, derived from sugarcane and testing 92 sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93;

(3) For sugar, derived from sugarcane and testing more than 92 sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above 92°;

(4) For sugar and liquid sugar, testing less than 92 sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972.

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection (h).

(i) The term "total sugar content" means the sum of the sucrose (Clarget) and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota," depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year, from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugarcane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or liquid sugar which may be marketed in the Territory of Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculture.

TITLE II—QUOTA PROVISIONS

SEC. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first 10 days thereof) and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indi-

cated by official statistics of the Department of Agriculture, during the 12-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas, by apportioning among such areas 4,268,000 short tons, raw value, as follows:

Area	Short tons, raw value
Domestic beet sugar-----	1,800,000
Mainland cane sugar-----	500,000
Hawaii-----	1,052,000
Puerto Rico-----	910,000
Virgin Islands-----	6,000

(b) For the Republic of the Philippines, in the amount of 952,000 short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

(c) For foreign countries other than the Republic of the Philippines, by prorating among such areas an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

Area	Percent
Cuba-----	98.64
Foreign countries other than Cuba and the Republic of the Philippines----	1.36

The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, No. 1, issued December 12, 1936, pursuant to the Agricultural Adjustment Act, as amended.

(d) Notwithstanding the other provisions of this title II, in the event the quota established for Cuba, including any and all deficits allotted or prorated to Cuba pursuant to the provisions of section 204 (a), shall be a smaller proportion of the total amount of sugar which the Secretary determines is needed to meet the requirements of consumers in the continental United States pursuant to section 201 of this act, than the quota which would have been established for Cuba upon such consumptive estimate under the provisions of section 202 (b) of the Sugar Act of 1937, the quotas for domes-

tic sugar-producing areas established pursuant to the other provisions of this title II shall be reduced pro rata by such amounts as are required to establish such quota for Cuba and the amounts by which such domestic sugar-producing quotas are so reduced shall be added to the quota for Cuba.

(e) If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937: *Provided*, That any amount of sugar so withheld or withdrawn shall be prorated to domestic areas on the basis of existing quotas for such areas and the Secretary shall revise such quotas accordingly: *Provided further*, That any portion of such amount of sugar which cannot be supplied by domestic areas may be prorated to foreign countries other than a country which the Secretary of State finds has denied fair and equitable treatment to nationals of the United States.

SEC. 203. In accordance with such provisions of section 201 as he deems applicable, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

SEC. 204. (a) The Secretary shall, from time to time during the calendar year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any domestic area, the Republic of the Philippines, or Cuba, will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect: *Provided, however*, That domestic areas shall not share in any deficit of any domestic area if the then outstanding determination of the Secretary made pursuant to section 201 of the act is less than 7,000,000 short tons, raw value. If the Secretary finds that the Republic of the Philippines will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for Cuba and foreign countries other than Cuba and the Republic of the Philippines, by prorating an amount of sugar equal to the deficit so determined, as follows:

	Percent
To Cuba-----	95
To foreign countries other than Cuba and the Republic of the Philippines----	5

Provided, however, That whenever the quota for Cuba established under the provisions of this act other than section 202 (d) is less than the amount required by the provisions of section 202 (d) of this act, such prorations shall be as follows:

	Percent
To Cuba-----	98.64
To foreign countries other than Cuba and the Republic of the Philippines----	1.36

Any portion of such Philippine deficit which the Secretary determines cannot be supplied by Cuba shall be prorated to foreign coun-

tries other than Cuba and the Republic of the Philippines. No part of any Philippine deficit so prorated may be filled by direct-consumption sugar.

(b) If, on the 1st day of September in any calendar year, any part or all of the proration to any foreign country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under the provisions of section 202 (c) has not been filled, the Secretary may revise the proration of such quota among such foreign countries by allotting an amount of sugar equal to such unfilled proration to such foreign countries as have filled their prorations of such quota by such date.

(c) The quota for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section 204.

(d) Any proration among foreign countries other than Cuba and the Republic of the Philippines pursuant to this section shall be on such basis as the Secretary shall determine.

SEC. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302, pertained; the past marketings or importations of each such person; and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

(b) An appeal may be taken, in the manner hereinafter provided from any decision making such allotments, or revisions thereof, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revising any allotment made to him.

(c) Such appeal shall be taken by filing with said court, within 20 days after the decision complained of is effective notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained

of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than 10 days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within 30 days after the filing of said appeal the Secretary shall file with the court the originals or certified copies of all papers and evidence presented to him upon the hearing involved, a like copy of his decision thereon, a full statement in writing of the facts and grounds for his decisions as found and given by him and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

(d) Within 30 days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however*, That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 240 of the Judicial Code, as amended (U. S. C., title 28, sec. 347), by appellant, by the Secretary, or by any interested party intervening in the appeal.

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

SEC. 206. Subject to the provisions of sections 207 and 408 relating to the suspension of quotas, sugar quotas shall be established pursuant to this act for the calendar year 1948 within 10 days after effective date of this act.

SEC. 207. (a) Not more than 29,616 short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.

(b) Not more than 126,033 short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) Not more than 56,000 short tons of sugar of the quota for the Republic of the

Philippines for any calendar year may be filled by direct-consumption sugar as specified in section 211 of the Philippine Trade Act of 1946.

(e) Not more than 375,000 short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar.

(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

(g) The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of title II applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 409 of this act unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas.

SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

In terms of wine gallons of 72-percent total sugar content	
Country:	
Cuba.....	7,970,558
Dominican Republic.....	830,894
Other foreign countries.....	0

SEC. 209. All persons are hereby prohibited—

(a) From bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or foreign countries, (1) any sugar or liquid sugar after the applicable quota, or the proration of any such quota, has been filled, or (2) any direct-consumption sugar after the direct-consumption portion of any such quota has been filled;

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland cane-sugar area after the quota for such area has been filled;

(c) From marketing in either the Territory of Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

(d) From exceeding allotments of any quota, direct-consumption portion of any quota, or proration of any quota, made to them pursuant to the provisions of this act.

SEC. 210. (a) The determinations provided for in sections 201 and 203, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208, shall be made or established in terms of raw value.

(b) For the purposes of this title, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 and in the establishment or revision of quotas, prorations, and allotments.

SEC. 211. (a) The raw-value equivalent of any sugar or liquid sugar in any form, including sugar or liquid sugar in manufactured products, exported from the continental United States under the provisions of section 313 of the Tariff Act of 1930 shall be credited against any changes which shall have been made in respect to the applicable quota or proration for the country of origin. The country of origin of sugar or liquid sugar in respect to which any credit shall be established shall be that country in respect to importation from which draw-back of the exported sugar or liquid sugar has been claimed. Sugar or liquid sugar entered into the continental United States under an applicable bond established pursuant to or-

ders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin.

(b) Exportation within the meaning of sections 309 and 313 of the Tariff Act of 1930 shall be considered to be exportation within the meaning of this section.

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area: *Provided, however*, That any sugar or liquid sugar admitted free of duty from the Virgin Islands under the act of Congress approved March 3, 1917 (39 Stat. 1133), may be admitted within the quota for the Virgin Islands.

SEC. 212. The provisions of this title shall not apply to (1) the first 10 short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year; (2) the first 10 short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in individual sealed containers of such capacity as the Secretary may determine, not in excess of one and one-tenth gallons each; or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production of livestock feed.

TITLE III—CONDITIONAL-PAYMENT PROVISIONS

SEC. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

(a) That no child under the age of 14 years shall have been employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane with respect to which application for payment is made, except a member of the immediate family of a person who was the legal owner of not less than 40 percent of the crop at the time such work was performed; and that no child between the ages of 14 and 16 years shall have been employed or permitted to do such work, whether for gain to such child or any other person, for a longer period than 8 hours in any one day, except a member of the immediate family of a person who was a legal owner of not less than 40 percent of the crop at the time such work was performed. The Secretary is authorized to make payments, notwithstanding a failure to comply with the conditions provided in this subsection, but the payments made with respect to any crop shall be subject to a deduction of \$10 for each child for each day, or a portion of a day, during which such child was employed or permitted to work contrary to the foregoing provisions of this subsection.

(b) That there shall not have been marketed (or processed) an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane

are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

SEC. 302. (a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carry-over inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

(c) Payments shall be effective with respect to sugar or liquid sugar commercially recoverable from sugar beets and sugarcane grown on a farm commencing with the crop year 1948.

SEC. 303. In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302, the Secretary is also authorized to make payments, on the conditions provided in section 301, with respect to bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing area, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) With respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess of 80 percent of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary, over the actual yield.

SEC. 304. (a) The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

(b) All payments shall be calculated with respect to a farm which, for the purposes of this act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment in

accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value:	Reduction in the base rate of payment per hundredweight of such portion
350 to 700.....	\$0.05
700 to 1,000.....	.10
1,000 to 1,500.....	.20
1,500 to 3,000.....	.25
3,000 to 6,000.....	.275
6,000 to 12,000.....	.30
12,000 to 30,000.....	.325
More than 30,000.....	.50

(d) Application for payment shall be made by, and payments shall be made to, the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however*, That all producers on the farm shall signify in the application for payment the percentage of the total payment with respect to the farm to be made to each producer: *And provided further*, That payments may made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. In carrying out the provisions of titles II and III of this act, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. The facts constituting the basis for any payment, or the amount thereof authorized to be made under this title, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. This title shall apply to the continental United States, the Territory of Hawaii, Puerto Rico, and the Virgin Islands.

TITLE IV—GENERAL PROVISIONS

SEC. 401. For the purposes of this act, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this act, including personal services and rents in the District of Columbia and elsewhere.

SEC. 402. (a) There is hereby authorized to be appropriated for each fiscal year for the purposes and administration of this act the funds necessary to make the payments provided for in title III of this act and such other amounts as the Congress determines to be necessary for such fiscal year to carry out the other provisions of the act.

(b) All funds available for carrying out this act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this act.

(c) The funds made available for the purpose of enabling the Secretary to carry into effect the provisions of the Sugar Act of 1937, as amended, during the fiscal year 1948 are

also hereby made available to the Secretary for purposes of administration of the provisions of this act during the fiscal year 1948.

SEC. 403. (a) The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this act shall, upon conviction, be punished, by a fine of not more than \$100 for each such violation.

(b) Each determination issued by the Secretary in connection with quotas and deficits under title II or payments under title III of this act shall be promptly published in the Federal Register and shall be accompanied by a statement of the bases and considerations upon which such determination was made.

SEC. 404. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this act or of any order or regulation made or issued pursuant to this act. If and when the Secretary shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this act. The remedies provided for in this act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

SEC. 405. Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (a) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. 406. All persons engaged in the manufacturing, marketing, or transportation or industrial use of sugar or liquid sugar, and having information which the Secretary deems necessary to enable him to administer the provisions of this act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than \$1,000 for each such violation.

SEC. 407. No person shall, while acting in any official capacity in the administration of this act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than 2 years, or both.

SEC. 408. Whenever pursuant to the provisions of this act the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation, except as provided in section 207 of this act, of all the provisions of title II above, and, thereafter, the operation of such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension

no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section.

SEC. 409. Whenever the Secretary determines that such action is necessary to effectuate the purposes of this act, he is authorized, if first requested by individuals or associations constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area and (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor, producer, or laborer.

SEC. 410. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this act and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this act.

SEC. 411. The powers vested in the Secretary under this act shall terminate on December 31, 1952, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year 1952 and previous crop years.

SEC. 412. The provisions of this act, except where an earlier effective date is provided for herein, shall become effective January 1, 1948. As provided in section 513 of the Sugar Act of 1937, the powers vested in the Secretary under that act shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III of that act under programs thereunder applicable to the crop year 1947 and previous crop years.

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE

SEC. 501. (a) Subsection (b) of section 3507 of the Internal Revenue Code (relating to the definition of "manufactured sugar") is amended by inserting in the parenthesis after the word "added" therein the following: "or developed in the product".

(b) Section 3503 of the Internal Revenue Code (relating to termination of taxes) is amended to read as follows:

"SEC. 3508. Termination of Taxes

"No tax shall be imposed under their chapter on the manufacture, use, or importation of sugar or articles composed in chief value of sugar after June 30, 1953. Notwithstanding the provisions of section 3490 or 3500, no tax shall be imposed under this chapter with respect to unsold sugar held by a manufacturer on June 30, 1953, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date.

"With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 3500 has been paid and which, on June 30, 1953, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer, subject to such regulations as may be prescribed by the Commissioner of Customs with the approval of the Secretary, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar."

(c) The amendments to the Internal Revenue Code provided for in this section shall become effective upon the first day of the second month following the date of the enactment of this act.

Mr. HOPE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill may be considered as read and that amendments to any section may be in order at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. Does the gentleman from Kansas desire to offer any amendment?

Mr. HOPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: On page 16, line 25, strike out "409" and insert in lieu thereof "408."

Mr. HOPE. Mr. Chairman, this amendment is simply to correct a clerical mistake, and I am directed by the Committee on Agriculture to offer it as a committee amendment.

The amendment was agreed to.

Mr. HOPE. Mr. Chairman, I have another committee amendment which I offer.

The Clerk read as follows:

Amendment offered by Mr. HOPE: On page 22, following line 3, insert a new subsection (c) to follow section 301, as follows:

"(c) (1) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subparagraph may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.

"(2) That the producer on the farm who is also, directly or indirectly, a processor of sugar beets or sugarcane, as may be determined by the Secretary, shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

"(3) Subparagraphs (1) and (2) of this subsection (c) shall apply, and the Secretary shall make determinations thereunder, with respect to any domestic sugar-producing area only (i) if producers in such area, who are also processors, produce in excess of 5 percent of the total production of sugar beets or sugarcane in such area, and also (ii) if request for such determinations is first made by persons constituting, or representing, a substantial proportion of the producers, processors, or laborers in such area

who would be affected by such determinations: *Provided, however,* That in the case of the mainland cane-sugar area, the provisions of this subsection (c) shall apply separately to the State of Florida and Louisiana."

Mr. HOPE. Mr. Chairman, this amendment has already been discussed to some extent. It provides for payment of fair wages as a condition to receiving payments by the producers, and also provides that producers who are also processors shall not be eligible to receive subsidy payment unless it is shown they have paid a fair price to producers from whom they have purchased beets or cane. The amendment as drawn is conditional to this extent: It does not apply in any producing area where less than 5 percent of the total production of sugar beets or sugarcane is produced by processors, and it is not applicable until a request for a determination as to prices and wages is made by persons constituting or representing a substantial proportion of the producers, processors, or laborers in such area.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. PACE. Would not the gentleman want at that point—inasmuch as it is not incorporated in the committee report—to give an interpretation as to the meaning he understands the Secretary will give to the term "substantial proportion of the producers, processors, or laborers?"

Mr. HOPE. It is my understanding, and I know it was the intent of the committee, that this amendment would be put into operation when any substantial number applied, and by that I mean enough to show general interest in the matter.

Mr. PACE. As I understood the Secretary, even if a small group would ask for it—it would not have to be one-third or one-fourth—but if a small group asked for it, he would make it operative.

Mr. HOPE. I am sure if any group which was at all representative, either in numbers or area or production, should make application that it would be acted upon by the Secretary. It would not have to be a large group as I interpret it.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In other words, let us take a given factory area consisting, say, of approximately 10,000 acres, where a local group of farmers organized as a beet-sugar growers association is in operation. They may be affiliated with several other associations covering other factory areas. The gentleman means to tell us then, I understand, that if the spokesman for that single local group of growers makes an application, that it is the intent of the Committee on Agriculture, and the intent of the legislation, and the intent of the Secretary of Agriculture to adhere to that request and make a ruling.

Mr. HOPE. Yes; I would agree substantially with the gentleman's statement, and I am sure that was the intent of the committee. The gentleman re-

ferred to beet growers, who would not be affected by the amendment, but if a similar situation existed in a cane-growing area I think the provision would be applicable.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Colorado.

Mr. CARROLL. Does not this amendment modify the present Jones-Costigan law in two respects: One, that it does not give the same coverage to the workers in the beet areas as did the original act?

Mr. HOPE. Yes; that is true. As drafted now it would not apply to any area where less than 5 percent of the beets or sugarcane was grown by processors. It is my understanding that less than 5 percent of the beets in the sugar-beet area in this country are grown by processors, so this amendment would not be applicable at the present time to the sugar-beet area of this country.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CARROLL. If the gentleman will yield further, then the ultimate effect of the amendment is to take away the protection that the workers had in the area?

Mr. HOPE. The effect of the amendment would be to remove the condition as applied to sugar-beet producers, which exists in the present law under which a farmer in order to receive his payments must show that he has paid a wage rate which the Secretary has determined to be fair and reasonable and has paid his workers in full.

I should like to say to the gentleman and to the committee that there was no demand from the beet-producing areas for the inclusion of this provision. There was a demand for the inclusion of the provision from the cane-producing areas. Because of that fact, the amendment was drafted in the form in which it appears. I might say that I think there is a difference in the labor situation between the beet and cane areas in that sugarcane is commonly grown in an area where there is a labor surplus, whereas sugar beets are grown in areas where under normal conditions a labor surplus does not exist, and where there are other agricultural activities which must compete for the same type of labor which is employed in the sugar-beet fields. For that reason, I do not believe there exists the necessity for a provision of this kind in the sugar-beet areas.

Mr. CARROLL. From the gentleman's experience in this field, would he be willing later, if an economic situation develops where the present law should be reenacted, to go along with such a program? I quite agree with the gentleman that it does not apply now, but I can foresee a situation in the future where we may have an economic condition similar to 1934 and 1935, where we would need this protective provision in the law to protect beet workers.

Mr. HOPE. I can only say to the gentleman that as far as I personally am concerned I would feel that if conditions changed as the gentleman says the matter should be reconsidered.

Mr. CARROLL. As I understand the present law, upon application it is mandatory for the Secretary of Agriculture to conduct a hearing if there is a dispute between the grower and the processor as to the profit and the distribution of the profit. This bill takes away the mandatory provision, and he may make an investigation without having even the jawbone enforcement sanction which exists under this law.

Mr. HOPE. Is the gentleman referring to the matter of determinations of wages and prices or to other disagreements which might arise?

Mr. CARROLL. I am speaking of wages and prices.

Mr. HOPE. The provision is no different as to that feature in the areas in which the provision is in effect. In other words, if the Secretary puts the provision to effect upon proper request it operates exactly as in the present law.

Mr. MURRAY of Wisconsin. Mr. Chairman, I offer a substitute for the first section of the committee amendment.

The Clerk read as follows:

Substitute offered by Mr. MURRAY of Wisconsin for subsection (c) (1) of the committee amendment offered by Mr. HOPE:

"(c) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane, with respect to which an application for payment is made, shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable, after investigation and due notice and opportunity for public hearings, and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subsection may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment."

Mr. MURRAY of Wisconsin. Mr. Chairman, this substitute is nothing more than the present law. It has worked very satisfactorily, so I am advised by the office of the Secretary of Agriculture. They have never had any trouble with it, and I have not been able to find out yet why we had to have any other amendment offered. Today we are going to do something that to me does not make common sense. Repeatedly here on this floor they have told you they have looked after the consumer, the producer, and the processor. Let us grant this.

Here we are just about ready to take one segment that is supposed to have protection and put them out the window.

The committee amendment does not apply to the labor in the sugar beet fields. There is no reason in the world why they should not be included in the bill. I, for

one, hope that the Members of the House will agree with me and support this amendment. I wish to say to every one of my Republican colleagues here today that if I am not right then I sure am not a Republican. I do not want any Member ever to talk about Abraham Lincoln and tell me how he is the patron saint of our Republican Party and then come here and take a segment of our population and leave them right out in the cold and say, "No, we do not want this to apply to everybody. We will take care of the processor. We will take care of the producer, but we will leave the laboring people, which has protection under present legislation, and cast them out." That is all there is to this amendment. I cannot understand why it has not been accepted. I am not divulging any secrets when I say I tried to include it in the committee. I could not, and I cannot now, understand why the committee did not accept it. I cannot understand why they bring in an amendment that provides protection of labor only in the cane fields. This may have merit. Every single Member of this House should vote for this amendment if he believes in equality and justice.

Mr. BUCK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have had the conviction that the people of this Nation at the polls last November expressed their preference for free enterprise as opposed to omnipotent Government control. Had this Sugar Act of 1948 been purposely drawn for the purpose of shackling one phase of free enterprise, it hardly could have been more successful.

Under this bill the Government determines how much sugar we may use, where it shall originate, how many acres can be grown, what type of sugar the farmer may plant, and how he must grow it. The Secretary of Agriculture may snoop into the labor contract a grower makes with his employees. Orders of the Secretary have force of law carrying fines for violations. Now we have an amendment offered that permits him to fix the amount the farmer pays his laborers. The Secretary can compel a user or manufacturer to turn informer on his fellows or forfeit \$1,000 for such refusal. Imagine that—and this is in the United States.

Then, of course, the Secretary pays out huge subsidies under rules written by him. He determines the amount of the payment due any claimant, and his determination is final and not subject to review. And he is paying out the taxpayers' money.

Mr. Chairman, this is New Deal bureaucracy and New Deal subsidy at its worst. The bill should be defeated.

Mr. DOMENGEAUX. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I rise with some reluctance to discuss the statement made by the gentleman from Virginia with reference to the activities of Mr. Earl Wilson, who until recently was head of the Sugar Branch of the Department of Agriculture. The gentleman from Virginia, I am certain, is honest in the beliefs and statements that he made, but I am inclined to believe that he was not given

all the facts. There were some serious reflections against the activities of this man as made by the gentleman from Virginia, and I would like to take the opportunity to correct them as I know and believe the true facts to be.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. DOMENGEAUX. I am glad to yield to the gentleman.

Mr. FLANNAGAN. I do not want to misrepresent the acts of any man.

Mr. DOMENGEAUX. I am certain of that, sir.

Mr. FLANNAGAN. But that statement which the gentleman has was prepared at a hurry-up meeting when they were frightened to death yesterday afternoon and evening. That is when they prepared that statement.

Now, if you will produce the files of the Department and they will not back up the charges I have made, I will withdraw them.

Mr. DOMENGEAUX. The gentleman is referring to something I have not even started to discuss. I am speaking about the charges he made against Mr. Earl Wilson.

Mr. FLANNAGAN. That is what I am talking about.

Mr. DOMENGEAUX. The information I have is that Mr. Earl Wilson, who was vice president of the National Sugar Co. in New York, in 1943 became connected with the Commodity Credit Corporation for the purpose of helping to move the Cuban crop. At that time Mr. Wilson became connected with the Government. He was paid a salary of \$1 a year, and of course his salary with the National Sugar Co. continued. In August 1945 Mr. Wilson became head of the sugar branch of the Department of Agriculture. At that time Mr. Wilson, who had a financial interest and was a stockholder in this sugar company, sold all of his stock he had at that time, and I am told at a loss, because the market was then at a low ebb. Not only did he not collect 5 cents of salary from the National Sugar Co. at that time but he sold all of his stock, and his only financial return was the salary he was being paid by the Government for the fine, efficient, and unselfish work that he was rendering to this country during the time of war. I am certain that Mr. Wilson accepted this responsibility and did this job at a great personal sacrifice to himself. It is rather difficult for a man who receives that type of position and who has made fine acquaintances and connections with people with whom he comes in contact to not afterwards receive offers of positions that are very favorable, and with very favorable salaries. I do not believe that reflects against anyone, and certainly in this case not against Mr. Wilson.

Mr. FLANNAGAN. Will the gentleman yield?

Mr. DOMENGEAUX. Yes, I yield.

Mr. FLANNAGAN. If they will produce the records in the Department of Agriculture, that are in black and white, and if those records do not substantiate the statements I have made, then I will withdraw the charges and apologize to Mr. Wilson. I am going to see the records first.

Mr. DOMENGEAUX. I am certain the gentleman feels just that way and would not intentionally do an injustice to anyone.

Now, on this further question on which the gentleman from Virginia [Mr. FLANNAGAN] left the impression that in a hardship case among the beet sugar people in 1943, \$1,500,000 was paid to some of the processors or growers erroneously and improperly, I would like to read a statement.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. DOMENGEAUX] has expired.

Mr. COX. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DOMENGEAUX. The gentleman from Virginia [Mr. FLANNAGAN] left the impression that this payment of \$1,500,000 to the beet growers was erroneous and improper. I would like to read a statement which I believe and am informed are the true facts in this instance:

The Commodity Credit Corporation, in order to maintain sugar-beet production by supporting prices to producers of the 1943 crop of sugar beets, entered into a contract with sugar-beet processors. Under the contract the processor was obligated to buy sugar beets from growers at support prices fixed by the Secretary of Agriculture, which were approximately \$1.50 higher than those paid by processors for the 1942 crop. In return for the processors undertaking to buy the sugar beets at support prices, the Commodity Credit Corporation guaranteed the processor a stated level of net proceeds. The processors agreed also to pay Commodity Credit Corporation any amount by which their actual net proceeds exceeded their guaranteed net. Processors paid to Commodity Credit Corporation approximately \$1,324,000. The contract also contained a so-called hardship clause. Under this clause Commodity Credit Corporation agreed that if, by reason of the operation of the contract, a processor was prevented from making a fair and equitable margin on the sale of sugar produced from the 1943 crop, Commodity Credit Corporation would make such adjustment as it determined was necessary to assure the processor a fair and equitable margin.

The production of beet sugar in 1943 fell to 18,622,043 100-pound bags, as compared with a 1942 beet-sugar production of 31,734,119 100-pound bags. The processing of sugar beets is a business which is dependent upon the maintenance of considerable volume in order to make it successful. Processing costs also increased greatly. As a result of the decreased volume and increased costs, the earnings of the sugar-beet processors, before taxes, fell from \$15,584,000, the average of the fiscal years 1936, 1937, and 1939, to \$1,864,000 for the crop year 1943. All the processors filed claims or indicated claims would be filed under the so-called hardship clause. The potential claims of the processors were in excess of \$10,000,000.

After extended discussion with the processors and careful analysis of the operating results of the various companies, Commodity Credit Corporation offered to settle hardship claims upon a basis which would result in a payment to all processors of a total amount of \$1,844,997—bear in mind that the growers had returned \$1,300,000—so actually the settlement of this claim cost the Government only a little over \$300,000, the

amount paid to individual processors being computed under a formula which gave equal weight to the processor's decrease in production and increase in unit cost. This proposed settlement, after approval by the Board of Directors of Commodity Credit Corporation, was submitted to and approved by the Director of Economic Stabilization.

The acceptance of Commodity Credit Corporation's offers to settle the hardship claims was made a condition of the 1946 processor agreement and constituted an additional inducement to processors to enter into a 1946 processor agreement on terms and conditions which were much more favorable to Commodity Credit Corporation than those originally insisted upon by the processors. Because of the fact that certain officials of the Corporation were later employed by the sugar industry, the Secretary of Agriculture delayed payment of the amount due the processors in settlement of their hardship claims until such time as the circumstances surrounding the making of the settlements could be carefully and completely reviewed by responsible officials in the Department having no connection with the administration of the Department's sugar program. No reason was disclosed for questioning the desirability or the propriety of the proposed settlement.

Mr. Chairman, this is the official statement of the Department of Agriculture with respect to this transaction as submitted to me today, by J. H. Marshall, Director, Sugar Branch, United States Department of Agriculture.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(Mr. DOMENGEAUX asked and was given permission to revise and extend his remarks.)

Mr. CARROLL. Mr. Chairman, I move to strike out the last three words and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CARROLL. Mr. Chairman, I rise in support of the substitute amendment. While I am very much indebted for the information given me by the gentleman from Kansas, yet I believe the logic of the gentleman from Wisconsin [Mr. MURRAY] is inescapable. No one yet, and I have talked with many people, many men who know far more about the sugar-beet industry than I—no one has been able to give me a reason for changing the basic Costigan-Jones law.

If, as the gentleman from Kansas suggests, the present provisions of the law are not being used as a result of present economic conditions, it does not necessarily follow, therefore, that we must remove those provisions which heretofore provided some measure of protection for both the grower and the beet laborer. In short, if we could be assured that the economy of the sugar-beet industry would remain as healthy as it is today, perhaps we could afford to eliminate the provisions of the law under discussion. The very purpose of this bill, we have been told, is to give a continuing measure of strength to those in the sugar-beet industry, that is, the processor and the grower. It is of equal importance then that we continue to give the same legal protection to the laborer as that given the processor and grower.

May I say to the membership of the House that I well remember back in 1933, 1934, and 1935 that there was a reason for the enactment of the Jones-Costigan bill. The gentleman from New York [Mr. Buck] says this is a New Deal measure. I will admit it involves economic planning. It is one of those industries in our economy that requires bolstering and therefore some planning.

In the early days of the depression the sugar-beet industry was struggling along under dire conditions. The processor, the grower, and the laborer were in urgent need of Government assistance and planning. The late Senator Costigan of Colorado and other distinguished men began a study of this problem which is so important to the economy of certain sections of this Nation. The result of that study brought forth the existing law. Among other principles of that law was established the proposition that in lieu of the Government's planning and protection the processors themselves must deal equitably and fairly with the growers of sugar beets and in turn the growers themselves would be required to pay a proper wage. Since the enactment of this basic legislation, these principles have remained intact until today we find an attempt to change the basic philosophy of the Costigan-Jones Sugar Act.

I want it distinctly understood, and I repeat, there is no need for the Department of Agriculture or the laborer to use these important provisions under existing economic conditions but I should like to reemphasize that it is entirely possible, if another period of unemployment should come upon us, that the sugar-beet laborer might again be very happy to have the protection given him under the present law. And, I am not so sure that there has not been a modification of the basic law which may affect important rights to the grower himself. I intend to study this bill and its implications at length for it is indeed unfortunate that we are required to act upon this important legislation with such little notice.

I submit that the argument of the gentleman from Wisconsin [Mr. MURRAY], is unassailable. If there is no present need for use of the provisions to protect the laborer under the present act, certainly there can be no harm in retaining them. On the other hand if there is a recession and if the worker is in need of protection, it would be available to him under the law. As I have said, this is also true of those provisions which were designed to protect the grower. Briefly we are being asked to give continuing protection to the processor, giving great benefits to the processor and to the grower, and at the same time we are taking it away from the laborer for the reason, it has been said, that he no longer needs the protection. Only time and further experience can justify such a position. Any removal or impairment of these basic principles is premature and not in keeping with proper legislative action.

Mr. Chairman, based on the information at hand, as limited as it is, and as a result of requests by some of the growers from my State, I intend to support this

bill. The growers of my State have telegraphed me that this is a good bill. Time has not permitted me to make an investigation nor does the committee report itself contain facts indicating what, if any, effect this will have upon the beet laborer under present conditions. In this connection it is to be noted that the sugarcane areas of this Nation have successfully resisted any attempt to destroy the sugarcane laborers' rights under this very bill.

As I have indicated, with some reservations, I intend to go along on the passage of this bill, provided there is no substantial impairment of the basic principles contained in the Costigan-Jones Act. Although I have questioned many Members of this body, no one has given a single reason why we should leave out of this bill the labor provision upon which I have spoken today and until somebody gives a better explanation, we should accept the substitute amendment offered by the gentleman from Wisconsin.

Mr. GRANGER. Mr. Chairman, I move to strike out the last word.

(Mr. GRANGER asked and was given permission to revise and extend his remarks.)

Mr. GRANGER. Mr. Chairman, it is unfortunate that during the course of this debate it appears to me, at least, that extraneous questions have been brought into the debate. The character of individuals has been questioned. Be that as it may, I do not think it is part of the debate and certainly has not anything to do with the pending legislation.

The act we are discussing here today was first passed in the depression days back in 1934. There was a provision in the Sugar Act to take care of all elements that are in the pending legislation, labor, the processor, the producer, and the consumer. I think those general elements are all still in this bill.

There is substantially no change. If it was a good bill in 1934 it is a good bill now. If it was a good bill in 1937 it is still a good bill. I may say for the growers of sugar beets, if I can speak for anyone, and they are the only people I am speaking for this afternoon, this sugar legislation to continue the present act is the best legislation that has ever been enacted in the history of the sugar industry.

I think it is undeniable also that it is not only in the best interest of the grower, the laborer, and the processor, but there has not been a single farm commodity that has been held to a more reasonable price to the consumer than has sugar during the time of war as well as in time of peace. I hope these questions that have been raised, that perhaps could just as well have been left unsaid, will not preclude us from supporting this bill.

I have always been concerned about the people who engage in the production of sugar, the laborers, as well as the processors, and in committee I questioned the Secretary very closely, and he indicated to me that it had never been necessary in the beet-growing areas to argue with anybody about the wage question. There have been ques-

tions raised where he had settled wages that were out of harmony with those paid to other farm labor. He just simply wanted to get rid of the responsibility of setting a wage that would be just another step to fix all farm wages. So far as I know this is the only instance in the agricultural program where a wage has been established.

While I sympathize in a general way with the views of the gentleman from Wisconsin [Mr. MURRAY], I think it would be unwise to amend this bill at this time, although I have no objection to it, because it would be ineffective as far as sugar beets are concerned. I think it is a good bill. It takes care of all the people who should be taken care of, and I trust that the bill will pass with a substantial majority.

Mr. SABATH. Mr. Chairman, I rise in support of the substitute offered by the gentleman from Wisconsin.

Mr. Chairman, I fully agree that this legislation is in the interest of the sugar growers, processors, and refiners, and it is also aimed to protect labor. This substitute amendment retains all the advantages of the 1934 and the 1937 acts with the exception of the protective labor provision. I fully realize that the chairman of the committee is aiming to correct the mistake made by his committee and is offering an amendment, but I feel that it does not correct the amendment of the committee. I think the substitute should be adopted because it is the basic law, it has been the law for years, and it has been found to be a just law. I felt originally that we should not extend it for 5 years; that 2 years would have been sufficient.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. MARCANTONIO. The substitute is the existing law.

Mr. SABATH. That is the basic law.

Mr. MARCANTONIO. And up to now no one has offered an explanation as to why the existing law should be changed or modified.

Mr. SABATH. I can explain, in view of what I have heard. Though I was not present, I am told that the sugar interests, through their able attorneys and others, helped to draft this bill and have been instrumental in bringing about the report from the committee.

Mr. MARCANTONIO. So that while the amendment takes care of the sugarcane workers in Puerto Rico it leaves entirely unprotected the beet-sugar workers in the various States, and that is the gimmick in the committee amendment. To cure that the safe thing to do in order to protect all sugar workers is to adopt the substitute offered by the gentleman from Wisconsin.

Mr. SABATH. I fully agree with the gentleman.

In conclusion all I wish to say is this: I agree that this bill is in the interest of the sugarcane growers and the sugar-beet growers, and that six or seven States will be greatly benefited. But I deny that it is in the interest of the consumer. The consumer will again be obliged to pay the increases that will be charged for sugar in the near future. However, as I said,

the bill will pass. I realize the situation. Nevertheless I feel it my duty to assert that, in my opinion, it will cost the consumers of this Nation from \$200,000,000 to \$300,000,000 a year. Consequently I feel that a 2-year extension should suffice.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. MARCANTONIO. I hold in my hand a letter dated July 10 signed by N. E. Dodd, Acting Secretary of Agriculture. This is what he says with respect to the labor provisions:

The Department of Agriculture did not recommend the exclusion of the wage provisions of the present act from the proposed bill. In fact, when representatives of the domestic sugar industry first discussed a draft of the proposed bill with representatives of the Department, the Secretary informed the group that he felt it would be a mistake not to include the wage and fair-price determinations in the bill. However, in view of his understanding that all segments of the domestic sugar industry were in agreement on the proposed bill, the Secretary informed the group that he would not insist upon the inclusion of such provisions.

Mr. SABATH. The mere fact that he did not insist upon it does not bind us. It is the only protection the bill provides for the labor which that produces the sugar.

Mr. MARCANTONIO. I think the Secretary made a serious mistake in not insisting.

Mr. SABATH. I think the substitute offered by the gentleman from Wisconsin should be favorably acted upon.

Mr. HOPE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CUNNINGHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes, had come to no resolution thereon.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that notwithstanding the session of the House over the noon hour tomorrow, the Committee on District of Columbia may be privileged to sit.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. COOLEY asked and was given permission to extend his remarks in the RECORD and include a statement by Hon. Josephus Daniels on the subject Military Conscription Is Contrary to the

Spirit and Practice of the American People.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD.

Mr. BENNETT of Missouri asked and was given permission to extend his remarks in the RECORD and include an address delivered last night over the radio by the Speaker of the House.

Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an address by Rev. Edward A. Fitzpatrick.

HOUSE JOINT RESOLUTION 205

Mr. HOPE. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report from the Committee on Agriculture on House Joint Resolution 205.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 3 hours on veterans' legislation.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

HOOR OF MEETING TOMORROW

Mr. HOPE. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 758. An act to promote the national security by providing for a National Security Organization, which shall be administered by a Secretary of National Security, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Security Organization, and for the coordination of the activities of the National Security Organization with other departments and agencies of the Government concerned with the national security; to the Committee on Expenditures in the Executive Departments.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1565. An act for the relief of Adolph Pfannenstiehl;

H. R. 1658. An act for relief of Norman Thoreson and Thoreson Bros., a partnership;

H. R. 1954. An act for the relief of Robert Hinton; and

H. R. 1956. An act for the relief of Hugh C. Gilliam.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 116. An act for the relief of Mrs. Mabel Jones and Mrs. Mildred Wells Martin; and

S. 395. An act authorizing the issuance of a patent in fee to Kathleen Doyle Harris, sole devisee of Richard Jay Doyle, deceased.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on Enrolled Bills, reported that that committee did on July 9, 1947, present to the President, for his approval bills and a joint resolution of the House of the following titles:

H. R. 494. An act to reorganize the system of parole of prisoners convicted in the District of Columbia;

H. R. 3737. An act to provide revenue for the District of Columbia, and for other purposes; and

H. J. Res. 170. Joint resolution authorizing the erection in the District of Columbia of a memorial to Andrew W. Mellon.

ADJOURNMENT

Mr. HOPE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 2 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, July 11, 1947, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

907. A letter from the Secretary of War, transmitting a draft of a proposed bill to prescribe the pay allowances of aviation cadets in the Air Corps, Regular Army, and for other purposes; to the Committee on Armed Services.

908. A letter from the Secretary of State, transmitting a draft of a proposed bill to prohibit and punish the unauthorized use of the official seal, emblem, and name of the United Nations, and for other purposes; to the Committee on Foreign Affairs.

909. A letter from the Acting Postmaster General, transmitting a draft of a proposed bill for the relief of Henry Hill; to the Committee on the Judiciary.

910. A letter from the Under Secretary of the Interior, transmitting a report and findings on the Hayden Lake unit of the Rathdrum Prairie project, Idaho (H. Doc. No. 392); to the Committee on Public Lands and ordered to be printed, with illustrations.

911. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1948 in the amount of \$50,000 for the legislative branch, Architect of the Capitol (H. Doc. No. 393); to the Committee on Appropriations, and ordered to be printed.

912. A letter from the Comptroller General, transmitting a report of the activities of the General Accounting Office under section 16 of the Contract Settlement Act of 1944; to the Committee on the Judiciary.

913. A letter from the Secretary of State, transmitting a draft of a proposed bill to provide for the refund of the taxes deducted pursuant to the provisions of the Railroad Retirement Act of 1937, as amended, from the wages of Mexican railroad workers employed in the United States under the agreement of April 29, 1943, between the United States of America and the United Mexican States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

tion of God-fearing, liberty-loving people to this continent. Yorktown did not bring security after the Revolutionary War. Hazards and dangers continued within the new Nation, as well as threats from imperialistic rulers abroad. Thirty-five years after he had written the immortal Declaration of Independence, Thomas Jefferson declared: "The last hope of human liberty in this world rests on us. We ought, for so dear a stake, to sacrifice every attachment and every enmity." Throughout this land are millions of Americans who recognize that "the last hope of human liberty in this world rests on us" today as in past generations. It is our responsibility to prove that representative government can function as effectually in meeting postwar challenges as in helping to win military victories over totalitarian powers. Our Nation is facing many crucial tests, and success is contingent upon an inspired citizenry. We cannot be strong so long as dissension and strife are rampant.

Jefferson and his associates in the Continental Congress were fully aware of the portent of their actions in absolving all allegiance to the British Crown. They were defying the world's most powerful maritime nation, and they knew that reprisals could be expected. Yet they mutually pledged to each other their lives, their fortunes, and their sacred honor.

They were willing to sacrifice everything for their country's welfare. Will Americans of our age emulate this patriotic devotion? Their course will decide the destiny of our Republic.

United States Human Mission to India

EXTENSION OF REMARKS OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 10, 1947

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I am pleased to offer the dispatch by my friend, D. F. Karaka, correspondent of the Bombay Chronicle, and former war correspondent. He has some very illuminating things to state regarding the exchange of students between India and the United States.

The dispatch follows:

UNITED STATES HUMAN MISSION TO INDIA (By D. F. Karaka)

Due to arrive here in the third week of June is the first United States Ambassador to India, Mr. Henry F. Grady. Carefully chosen for the delicate job of representing the United States in this country, which is in the midst of great political and constitutional changes, Mr. Grady has an impressive background both in his own country and in the east. In 1941 he was President Roosevelt's personal representative and made an economic survey of those far eastern countries which supplied strategic defense materials. In the following year Mr. Grady came to India as head of the American Technical Commission. During 1945 and 1946 he served as the national chairman of the board of directors of American relief for India.

Sixty-five years of age, the United States Ambassador is a family man with a wife and four grown-up children. He is distinguished looking, tall and heavily set with grey hair and blue eyes. He is described as "a man who has no outstanding hobbies, but spends his spare time in scholarly pursuits—he wears glasses."

From the official standpoint and from the diplomatic, Mr. Grady satisfies all the requirements of an ambassador and of a man whose job is to promote goodwill, better understanding and friendship between the country he represents and that to which he is sent as Ambassador.

It seems to me that it is not enough to achieve these objects that a liaison between the two peoples should be effected only at high levels. I have no doubt that in time Mr. Grady will be on the most friendly and easy terms with our representatives and leaders in the capital city of New Delhi. I have no doubt also that he will even understand the intricate political situation which now faces us and that he will be able to grasp the complexities of the Indian national or the binational character. The chances are, however, that the Indian and the American people will still remain as far apart as ever.

LIAISON BETWEEN COMMON PEOPLE

I maintain that liaison among the people of two countries must take place at lower levels than that of ambassadors. The common people of one country must send their own representatives to the common people of another country, unhampered by diplomatic conventions and protocols and all such encumbrances.

There is today a definite world trend which encourages this idea. The creations of the UNESCO is entitled to foster this end. The preamble of the constitution drafted at the London conference of UNESCO expressed high purposes and basic principles. The governments of the states who were parties to this constitution solemnly declared:

"That ignorance of each other's ways and lives has been a common cause throughout the history of mankind, of that suspicion and mistrust between the peoples of the world through their differences have all too often broken into war";

"That the great and terrible war which has now ended was a war made possible by the denial of the democratic principles of the dignity, equality, and mutual respect of men, and by the propagation, in their place, through ignorance and prejudice, of the doctrine of the inequality of men and races."

The object which UNESCO has in mind is to promote a free flow of ideas and information on the popular as well as the scholarly level through the media of the radio, motion pictures, and the printed page. UNESCO will further encourage the exchange of students and the reciprocal visits of such individuals as scientists, teachers, and artists. It will encourage the association across national boundaries of creative writers, artists, and musicians.

It is my belief that these objects and ideals can right now be achieved by sending to this country a half dozen representative young Americans, picked from the complex pattern of American democracy and charged with no other idea than that they should come here to India, look around for themselves, and take back whatever impressions they gather. A similar team which from the British universities before the war on a talking tour of India was, I remember, a tremendous success.

MISSIONARIES OF ONE WORLD

What would be a representative cross section of such Americans, culled from the colleges of the United States and including today many veterans of World War II who have seen the broad canvas of the world in the theaters of war in which they have operated and who have fought for that one world of which the late Mr. Wendell Willkie spoke? As I see it from this distance, I would pick the men somewhat as follows:

1. I would take a boy from an up-State New York village, who is studying business administration at Cornell or Syracuse and probably was a fighter pilot during the war.

2. I would take a Harvard law student from an old back-bay Boston family.

3. I would take a Negro student of medicine from the Howard University, probably a veteran of the Ledo Road and the CBI theater, whose home is in the deep South.

4. I would take an ex-major now studying journalism in the University of Columbia, who speaks with a broad Brooklyn accent and whose name could be Goldsteln.

5. I would take a young man studying agriculture and learning to become a farmer in the University of Iowa.

6. I would take a political-science student from Stanford University, a Californian who has served with the OSS in Burma.

These are six young men haphazardly chosen who satisfy two requirements. First they must be typical Americans, secondly they must, if it is possible at the same time, be also citizens of the world.

If these young men could come out here to India this cold weather, they would, I am sure, create the sort of good will which we want created between the United States and India, and they would, I am also sure, take back with them a picture of this country different from that distorted picture of casts, communal strife, poverty, and squalor, which is so often painted of us in the United States.

If the Government of the United States and the State Department cannot act on this until the Munn bill passes Congress, it would be a glorious idea for some of the individual organizations to sponsor.

Groups like the American Friends of India, the Rockefeller and Carnegie Foundations, the larger universities who are interested in international relations, such as Harvard, Yale, Columbia, and Syracuse; business firms like the International Business Machines; and a great many philanthropic individuals, could sponsor this idea of a human mission to India.

Sugar Act of 1948

SPEECH OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 9, 1947

Mr. CHENOWETH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, this bill is a proposal to ration markets, not a commodity. Heretofore we have considered sugar legislation designed for the purpose of rationing sugar. I repeat, this bill rations the sugar market of the United States to certain people as set forth in this bill.

This bill is an agreement by the present investors in sugar properties. It substantially leaves out of the picture prospective future investors in sugar properties—those who would expand this great industry. By reason of the bill's being an agreement which the State Department—and that means the Federal Government, including the White House—has joined, and by reason of its being an agreement which Cuba has joined—and Cuba has for decades had its foot inside the State Department and has influenced all sugar legislation we have written in the past few years, and will probably continue to do so—this, I guess, is the only bill we will have a

chance to vote on dealing with this particular subject this calendar year. For this last reason I expect to support the bill.

I have said in very abrupt language, language that will probably cost me votes, language which I spoke to people in the sugar industry, exactly what I thought about this agreement they have made. I am not talking about the bill now, I am talking about the agreement. I am an advocate of free enterprise. I am an advocate of a man's living simply, saving money, investing it in business, taking his losses with his profits, keeping his mouth shut, eating his crow when he has to, keeping the Government out of his business, and letting him run his business according to his judgment. But there are those who advocate the Government's stepping in and telling business what it must do. The great sugar industry became involved in that kind of a picture some 10, 12, or 15 years ago, over my protest, and since then we have had this sugar market quota law which allocates markets, which says to Mr. A, for instance, "You have your investment in sugar properties and I am going to protect you. I, the Government, by reason of a Federal law, am going to protect you. And you, Mr. B, shall not be permitted to enter this industry because I will not give you a marketing quota. I am going to protect Mr. A and his investment and his property."

That fundamentally runs contrary to my concept of American industrial enterprise, and therein I was in disagreement with the boys, and I told them so. I said, "There is no way I can defend that principle anywhere because it runs contrary to all my philosophy."

You refer to pages 9, 10, and 11 of the bill and you will get the heart of it. We say, for instance, to Cuba, a foreign country, "You may participate in the deficits of deliveries." Why do we not say to the American people, "There is going to be a deficit in sugar production. You, Mr. A, B, and C, may go build a factory and bring in the acreage and produce the sugar and feed the American people," instead of protecting Cuba, a foreign country, in that respect? We do not do that because the industry agreed not to do it, and the State Department agrees. Of course, Cuba participated in that agreement.

That is what we get into when we let Government start telling us what to do. We have a conference between John Lewis and Big Steel and Big Coal and the public pays for the increase. We have a conference between somebody else that is big, but the public did not sit in there. I am talking straight stuff here, and I am not afraid to talk it anywhere, because I know this business, and I will have to defend myself as best I can. We, the American people, have these affiliations and relations with Cuba and we are getting into them with every other country on earth. That is the reason I made the remarks I made the other day when the wool bill was up. I told you then you would have to take a position and that you would have sugar up within a few days, and it is only a few days or weeks or a few months at the

longest until you will have to deal with rubber. That is what we are up against. This is the only bill you will have a chance to support, so, as I said, I am going to support it.

Military Conscription Is Contrary to the Spirit and Practice of the American People

EXTENSION OF REMARKS OF HON. HAROLD D. COOLEY

OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 10, 1947

Mr. COOLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following testimony by Josephus Daniels, editor of the News and Observer, of Raleigh, N. C., who was Secretary of the Navy from 1913 to 1921:

Mr. Chairman and gentlemen of the committee, as an American citizen who believes in preparedness and who directed the forces of the Navy during World War I, I wish to give expression to my sincere conviction that the proposed conscription of all American youths over 18 is a dangerous departure from the sound and settled policy of America from its foundation. Except in times of war, conscription violates fundamental Americanism, and confers upon the military the duties of the home and the school. If half of the cost of the proposed universal conscription was appropriated to the public schools the youth would be far better trained than in any system conducted with the chief emphasis upon training for war. More than that, from civilian institutions there would come as volunteers all the men needed for making the most efficient Army, Navy, and Marine Corps, and the strengthening of civilian objectives in making government more responsive to the noblest needs of the country.

Mr. Chairman and gentlemen of the committee, the propaganda for compulsory military service for American youth is based upon three false premises:

First, Fear, and I hold with Franklin Roosevelt that "fear is the only thing to fear." As I read or listen to the pleas to Hitlerize America, and see how the advocates of compulsion tremble, I am reminded of the old nursery rhyme: "Run, little fear, or big fear will get you."

Second, Cynicism, the disbelief in the ability of our civilization to rise out of savagery and so order the affairs of a civilized age as to make war an anachronism. The unbelief is based on the silly credo: "There have always been wars and there always will be wars."

Third, Imperialism, the desire that Uncle Sam shall abandon democracy, the right of all men to govern themselves, and follow the example of the Israelites of old who, tired of God's guidance, wished a king so they would be like neighbor nations that lived by the sword. It was this jealousy of John Bull's exploitation of weak peoples that caused us to go into the colonial business when we obtained rule of the Philippines by conquest and purchase, and held on to them under the pious profession of benevolent assimilation. Happily, we have come to ourselves and redeemed the solemn pledge to return sovereignty to the Filipinos.

Mr. Chairman and gentlemen of the committee, let me hasten to avow that I belong to the school of thought which holds with Washington, "In time of peace prepare for

war." I also am a Wilsonian and Rooseveltian who believes equally in the maximum, "In time of war prepare for peace." One is the corollary of the other. As long as there are men and nations that live by the sword there is the certainty that nations lacking the means of defense will die by the sword. As long as there are robbers and marauders, cities must maintain a vigilant and adequate police force to protect life and property, the size being regulated by the danger of being despoiled. I believe everything in the Bible "from kiver to kiver" except "The meek shall inherit the earth." That makes me a heretic unless this prophecy was intended for some far off century. Up to our day the meek have not only not inherited the earth but have been the victims of the strong and greedy whose creed is that the earth belongs to those who have the power and are able to go up and take it.

Our country for decades was so favorably situated between the two great oceans, it had little fear of invasion. That was in the days when communication and transportation were so slow that Andrew Jackson could be winning the Battle of New Orleans days after the treaty of peace had been signed between the two fighting nations at Ghent. That protection was lessened when submarines could stealthily enter our harbors before their presence was discovered and hurl deadly torpedoes to destroy our cities. It was lost when bombers in a few hours could fly from Tokio and work havoc on the American fleet anchored in Pearl Harbor, or the "airy navies of the central blue" were capable of taking off before breakfast from Berlin and blasting Boston before the setting sun. Protected by the narrow channel separating it from the continent, the tight little island of England was safe from invasion in all former wars, but was dangerously near destruction when flying robots wiped out thickly populated sections of London and made life a nightmare to millions. Only the supremacy in air, aided by sea and land forces, prevented its annihilation.

The whole military strategy was changed when the atomic bombs blasted Hiroshima. Infantry in the years to come will give way to scientific weapons, and the suggestion of universal drilling is to fail to appreciate the lessons taught by the new warfare in World War II. Indeed, the day may not be far distant when the foot soldiers will follow the Cavalry into innocuous desuetude.

The outstanding lesson taught by World War II is that the nation which commands the air is the nation that can rule the world. This is not to say that wars can be fought and enemy countries brought under subjection and punished alone by this new weapon sending its bombs hurtling on crowded cities, industrial plants, and railway stations. No complete victory can be won and garnered, as this war proves, except by aerial warfare, with hand-to-hand fighting to follow the devastation from the air. It is too soon to assess the relative value of the forces of land, sea, and air, or to plan for wise preparedness in a world that is still bleeding from the wounds of war. There must be time for the adoption of the best plan after all the lessons have been made known.

The first sound that fell upon my infant ears was from the shelling by Federal gunboats of a small southern town in which I was born. I have lived through three major wars, having been privileged to direct naval operations of the United States in World War I. Study and experience have convinced me that until we can replace war with effective international agreement as a safe substitute our country must be well prepared against attack. In 1914, when the European war broke out and there was danger the contagion might reach us, the Wilson administration made plans, and in 1915 secured authorization for the creation of the most powerful Navy in the world. I am testifying today

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued July 14, 1947
For actions of July 11 & 12, 1947
80th-1st, Nos. 132 & 133

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HIGHLIGHTS: Senate committee reported agricultural appropriation bill. Bill to continue export-control, allocations, and priorities powers ready for President. House passed bill to amend and extend Sugar Act. Rep. Cookey discussed bill to transfer SCS functions to States. House received appropriation estimate for Renount Service. Sen. Thye submitted resolution for farm-program study. House committee reported bill to extend SCS, ACP, FHA programs to Virgin Islands. Senate debated tax-reduction bill. House committee approved bills to provide for wool-price supports and to amend peanut-quota provisions.

SENATE - July 11

1. AGRICULTURAL APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 3601 (S. Rept. 474)(p. 8830). For summary of Committee changes, see statement at end of this Digest.
2. INDEPENDENT OFFICES APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 3839 (S. Rept. 475)(p. 8830). The Committee added \$400,000 for the Office of Government Reports, \$25,000,000 for the War Assets Administration, \$50,000 for the Council of Economic Advisers, and \$75,000,000 for the Atomic Energy Commission. Regarding the Office of Government Reports, the Committee report states: "This amount will allow continuation of the agency on a restricted basis. The Committee is of the opinion that this agency has overexpanded... A limitation of \$7,500 per year has been placed on the salaries of personnel of the agency. The committee examined salaries presently in effect and it is the opinion, that for the type of work performed, the limitation is justified."
3. WAR POWERS. Both Houses agreed to the conference report on H. R. 3647, to continue export-control, allocations, and priorities powers on a restricted basis (pp. 8841-3, 8887-8). This bill will now be sent to the President.
4. PURCHASING. Received the GAO report under the Contract Settlement Act of 1944 (S. Doc. 75)(p. 8829).

5. STATISTICS. The Civil Service Committee reported with amendments S. 1497, to amend the act authorizing the Census Bureau to collect and publish statistics of cottonseed and its products (S. Rept. 481)(p. 8830).
6. PERSONNEL. The Civil Service Committee reported with amendments S. 416, to extend veterans preference to widowed mothers of certain ex-servicemen (S. Rept. 480)(p. 8830).
7. PATENTS. The Judiciary Committee reported without amendment H. R. 3958, to extend temporarily the time for filing applications for patents and for taking action in the Patent Office with respect thereto (S. Rept. 502)(p. 8830).
8. PUBLIC-WORKS LOANS. The Banking and Currency Committee reported without amendment S. 1487, to remove restrictions on loans by Federal agencies to finance construction of certain public works (S. Rept. 504)(p. 8830).
9. CONSUMER CREDIT. The Banking and Currency Committee reported an original measure, S. J. Res. 148, to authorize temporary continuation of regulation of consumer credit (S. Rept. 473)(p. 8830).
10. TAXATION. Debated H. R. 3950, the tax-reduction bill (pp. 8833-8, 8844-63).
11. FLOOD CONTROL. Sen. Wherry, Nebr., spoke in favor of additional flood-control activities, discussing flood damage to farm lands (pp. 8838-9).
12. DAIRY INDUSTRY. Sen. Langer, N. Dak., criticized activities of the National Dairy Products Corp. (pp. 8865-78).
13. PERSONNEL. A Civil Service Subcommittee approved without amendment S. 1188, establishing retention preference regulations to employees permanently injured in line of duty, in making reductions in Government forces (p. D520).

HOUSE - July 11

14. SUGAR. Passed with amendment H. R. 4075, to amend and extend the Sugar Act of 1937 (pp. 8888-902). Agreed to an amendment by Rep. Murray, Wis., to continue requirements for payment of fair wages on a modified basis (pp. 8888-92). Rejected amendments to continue the Act for 1 year only, to increase the domestic quota to 5,268,000 tons, to protect Puerto Rico refineries. Rejected, 47-101, a motion by Rep. Flannagan, Va., to recommit the bill with instruction that the Committee report it in a form continuing the Act for 1 year and providing for reallocation of any of the 1948 Philippine deficit in accordance with the provisions of H. R. 4075 (p. 8902).
15. APPROPRIATIONS. Rep. Gathings, Ark., spoke in favor of various increases in the agricultural appropriation bill, particularly for soil conservation (p. 8881).
16. NAVAL APPROPRIATION BILL. Received the conference report on this bill, H. R. 3493 (pp. 8881-4).
17. LEGISLATIVE APPROPRIATION BILL. Reps. Johnson of Ind., Tibbott, Canfield, Griffiths, Cannon, Kirwan, and Andrews of Ala. were appointed House conferees on this bill, H. R. 3993 (p. 8902). Senate conferees were appointed July 10.
18. COORDINATION. Rep. Cooley, N. C., spoke in support of H. R. 4150 (see Digest 131) and explained that it provides for soil-conservation research through the

Mr. Speaker, this bill should be recommended to the committee from which it came for further study and investigation.

How can a Member of this House support this measure and then go home and explain to his people why this unnecessary burden was added to the cost of natural gas to the ultimate consumers?

This bill should be recommitted, by all means.

COMMITTEE ON VETERANS' AFFAIRS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be permitted to sit today during general debate.

Mr. RANKIN. Mr. Speaker, reserving the right to object, may I ask what bills will be taken up?

Mrs. ROGERS of Massachusetts. Subcommittee bills, I will say to the gentleman. The gentleman from Ohio [Mr. RAMEY] has certain bills for consideration in the subcommittee.

Mr. RANKIN. Is it going to be an executive session or open hearing?

Mrs. ROGERS of Massachusetts. I understand it will be an executive session.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF TITLE III OF SECOND WAR POWERS ACT

Mr. MICHENER. Mr. Speaker, I call up the conference report on the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 10, 1947.)

Mr. MICHENER. Mr. Speaker, I yield 15 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, may I say that I will yield to my distinguished colleague the gentleman from Arkansas [Mr. CRAVENS] at the proper time.

Mr. Speaker, this is a conference report on the Second War Powers Act. The conference report was fully agreed upon by both the Senate and House conferees.

One of the matters in controversy was the question as to whether hard fiber and cordage should be retained in the bill. The conferees, after having heard all of the evidence and examined the hearings, determined that such controls over hard fiber and cordage are no longer necessary, and that provision was stricken from the bill.

I recall that when the bill was under consideration earlier the distinguished gentleman from Oklahoma [Mr. RIZLEY] raised a question about transportation equipment and facilities of rail carriers.

That provision was incorporated in this bill, and that control is now exercised on transportation equipment and facilities by rail carriers, which will make it possible to secure the needed materials and supplies for the purpose of building new freight cars and new railroad cars, and for the purpose of making needed repairs, and also for allocating this equipment so the shipment of grain can be properly handled and taken care of. I think that question is entirely covered by this bill, as you will note on page 3 of the conference report.

On the question of cinchona bark, quinine, and quinidine, the allocation and control was limited to a stock pile which the Government might now have on hand, or which it might hereafter acquire. The hearings disclosed that 1,000,000 ounces of quinine have been discovered as surplus in the hands of the Army. That is coming into the possession of the Government quite soon. Of course, that particular quinine will be subject to allocation, and that which is in the Government stock pile, and which is subject to allocation in the hands of the Government is also subject to allocation down through the channels through which quinine will go. However, the industry has the power and the right to purchase cinchona bark, quinine, and quinidine on the open market without any control and without any allocation, and that which is purchased on the open market, and which is not subject to allocation under this bill, is not subject to any allocation as to those into whose hands it might finally fall and where it might eventually be used.

I think that covers practically everything upon that subject. The protection with reference to petroleum and petroleum products which was written into this measure in the House is carried forward in this measure by the conferees. I think that is a wholesome and effective provision for the protection of the people of this country with reference to petroleum and petroleum products. Too much of those commodities have been sent to Russia, and to foreign countries. The provision included in this report should be helpful to our people.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my good friend.

Mr. AUGUST H. ANDRESEN. Does this conference report have any control over the export of grains or food?

Mr. SPRINGER. Under the Second War Powers Act, may I explain to my distinguished friend, the foods and food products are eliminated therefrom. But you will note on page 3 of the report the export controls are continued until March 1, 1948, and the Second War Powers Act is continued until that same date on the limited number of items which are embraced in the pending report of the conferees. The export controls are continued, as you will note from this conference report, until March 1, 1948. Those export controls are embraced in the Export Control Act, and that act is continued.

Mr. AUGUST H. ANDRESEN. Then, this conference report is more compre-

hensive than the bill which was passed by the House.

Mr. SPRINGER. The gentleman is entirely correct. It is much more comprehensive because it embraces not only the matters contained in the Second War Powers Act, but also embraces the extension of the export controls under the Export Control Act until March 1, 1948.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. ANDERSON of California. Do I understand then that the export controls are to be continued under the same administrative set-up that now exists?

Mr. SPRINGER. Under this conference report, as the gentleman will observe in section 6, on page 3, of the report, the administration is to be conducted by the Secretary of Commerce and he is made the responsible head in charge of the administration of the provisions of this law from this time on until it finally terminates.

Mr. ANDERSON of California. How does that change the present set-up for the administration of export controls?

Mr. SPRINGER. Under the present arrangement, each one of the departments are practically in control of their own controls, that is, the Department of Agriculture is controlling the exports of agricultural commodities, and the Department of Commerce is controlling implements and machinery and so forth.

Mr. ANDERSON of California. Did the Department of Agriculture exercise control or did it not just recommend to the Office of International Trade in the Department of Commerce what items should be given export licenses?

Mr. SPRINGER. As we obtained the evidence in the hearings, that is all handled under an interdepartmental arrangement by which the Secretary of State would confer with the Secretary of Commerce or with the Secretary of Agriculture or whichever particular department of government controlled that particular commodity. Those departments would reach an agreement and then the allocations would be made in accordance therewith. But under this present conference report, the one now presented to the House, the Secretary of Commerce will have charge of the administration. He will be the responsible head and the responsible person.

Mr. ANDERSON of California. Was any consideration given by the conferees to the suggestion contained in the Senate bill for the setting up of an administrative agency outside of the Department of Commerce for the allocation of export licenses?

Mr. SPRINGER. That was not considered. In the original bill which was introduced in the Senate, it provided that a department head should be set up, and he should be granted the right to employ such departmental assistants as he might require. But they amended the bill in the Senate, and that portion of the bill was not presented to the conferees.

Mr. ANDERSON of California. I will say that my interest in this stems from the fact that some of the folks I represent are being kicked around under the

present administration and find it extremely difficult to secure export licenses. I do not know whether the gentleman knows it or not, but there have been a series of black-market rackets built up under the present administration of the Export Control Act.

Mr. SPRINGER. May I say to the distinguished gentleman from California that according to my information there has been some confusion with respect to the issuance of licenses. But under this conference report, this bill if it is finally enacted into law, thus placing the responsibility in the hands of the Secretary of Commerce, I feel quite confident that such confusion will be very largely eliminated.

Mr. ANDERSON of California. I certainly hope so.

Mr. SPRINGER. The disturbances in issuing licenses was caused more by reason of the confusion which existed, very largely. It is hoped, under this bill, this confusion will be entirely eliminated.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Illinois.

Mr. MASON. The fact that it has been an interdepartmental matter and that one had to go to the other, and so forth, was the one thing that caused the confusion and the kicking around, as the gentleman from California has stated. Now, by placing it in one department, that ought to eliminate that confusion.

Mr. SPRINGER. In other words, it makes one department head entirely responsible. I think that confusion of the past will be largely eliminated in the future.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my distinguished chairman.

Mr. MICHENER. The conference report places the responsibility in a single individual, without creating any new bureau with a lot of additional employees and expense.

Mr. SPRINGER. That is entirely correct.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. Yes, I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does the conference report preserve the provisions with respect to judicial review?

Mr. SPRINGER. Yes. That is retained in the measure.

Mr. MCGREGOR. Will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Ohio.

Mr. MCGREGOR. Am I right in my supposition that foods and food products, manila (abaca) fiber and cordage, agave fiber and cordage, and fertilizer materials are no longer under the control program?

Mr. SPRINGER. The gentleman is entirely correct. Those articles are not under the control program, under the provisions of this report.

Mr. Speaker, I yield to the gentleman from Arkansas [Mr. CRAVENS].

Mr. CRAVENS. Mr. Speaker, the conferees are in entire agreement. The gen-

tleman from Indiana has made a complete statement of the conference report. I have no requests for time.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. ANDERSON of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BROWN of Ohio. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 107]

Barden	Fisher	McGarvey
Bennett, Mich.	Fuller	Macy
Bland	Gallagher	Mansfield, Tex.
Bloom	Gifford	Monroney
Bolton	Gorski	Nixon
Boykin	Harless, Ariz.	Norblad
Buckley	Harness, Ind.	Pfelfer
Byrne, N. Y.	Harrison	Powell
Carroll	Hartley	Rayfiel
Celler	Hébert	Rich
Clark	Heffernan	Robison
Clements	Hendricks	Schwabe, Mo.
Cole, Mo.	Herter	Scoblick
Cole, N. Y.	Jenkins, Pa.	Scott, Hardie
Combs	Jones, N. C.	Smith, Kans.
Coudert	Judd	Smith, Ohio
Courtney	Kee	Vinson
Dawson, Ill.	Kelley	Youngblood
Dingell	Keogh	
Dorn	Kersten, Wis.	

The SPEAKER. On this roll call, 367 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD in five instances and to include newspaper articles.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include an article entitled "United States Marine Corps Faced With Possible Extinction if Merger Bill Is Enacted."

Mr. McDOWELL asked and was given permission to extend his remarks in the RECORD.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include an editorial written in 1916 in the Chicago Tribune.

Mr. HAND asked and was given permission to extend his remarks in the RECORD.

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include a newspaper article.

Mr. KEATING asked and was given permission to extend his remarks in two instances in the RECORD and include two editorials from the New York Times.

SUGAR ACT OF 1948

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consider-

ation of the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

The motion was agreed to.

Accordingly the Committee resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4075, with Mr. CUNNINGHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, July 10, there was pending an amendment offered by the gentleman from Kansas [Mr. HOPE] and a substitute amendment offered by the gentleman from Wisconsin [Mr. MURRAY] for the Hope amendment.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent to withdraw the amendment that I offered on Thursday.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. HILL. Reserving the right to object, Mr. Chairman, I would like to know if the gentleman is withdrawing the entire amendment.

Mr. MURRAY of Wisconsin. I wish to say that I asked unanimous consent to withdraw this amendment—

Mr. HILL. Well, reserving the right to object, I still want to know if you have another amendment that is worse than the one you offered the other day.

The CHAIRMAN. The Chair does not believe that is a proper question.

Is there objection to the request of the gentleman from Wisconsin that he be permitted to withdraw the substitute which was offered on Thursday, July 10, to the amendment offered by the gentleman from Kansas [Mr. HOPE]?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, I offer an amendment to the Hope amendment.

The CHAIRMAN. Is it an amendment or a substitute?

Mr. MURRAY of Wisconsin. It is a substitute for the Hope amendment. It is exactly like the present law.

The CHAIRMAN. The Clerk will report the substitute offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Wisconsin: On page 22, following line 3, insert a new subsection (c) to follow section 301, as follows:

"(c) (1) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be

payable except for the foregoing provisions of this subparagraph may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.

"(2) That the producer on the farm who is also, directly or indirectly a processor of sugar beets or sugarcane, as may be determined by the Secretary, shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing."

The CHAIRMAN. The gentleman from Wisconsin is recognized.

(Mr. MURRAY of Wisconsin asked and was granted permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. I shall not take the full 5 minutes for myself.

I will just repeat what I said yesterday, that this is nothing but what is included in the present law.

The reason I made the substitution this morning was to be sure that every word in the present law is included in this section. And to add the section to protect the producer. That is section 2, that has just been read. We then take care of the producer as well as the laborer as provided by the present law.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. GRANGER. I was unable to hear the gentleman's amendment. I think he should explain it.

Mr. MURRAY of Wisconsin. The amendment consists of the first two sections of the Hope amendment but leaves off the section which does something, nobody knows exactly what, to labor. This makes the first two sections the same as the present law.

Mr. GRANGER. The gentleman already has an amendment pending, has he not?

Mr. MURRAY of Wisconsin. I just withdrew that by unanimous consent.

Mr. GRANGER. This is a new amendment?

Mr. MURRAY of Wisconsin. This is a substitute for my substitute. And I might say to my colleagues that my distinguished Chairman consulted with me about this, and it is through him that I am able to present it in this amended form.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. AUGUST H. ANDRESEN. This calls for the Secretary to continue as a collection agency to see that the labor engaged in sugar production is paid. That is correct, is it not?

Mr. MURRAY of Wisconsin. This continues present law. Whatever the Secretary of Agriculture can do now he can continue to do if this amendment is adopted.

Mr. AUGUST H. ANDRESEN. It still continues that practice, then, where he acts as a collection agency to see that these people are paid.

Suppose some of these laborers should run up a bill with a merchant but do not pay the bill after they get their money. Would the gentleman have any objection to adding an amendment to the effect that before the Secretary paid out this money that these laborers should pay their bills?

Mr. MURRAY of Wisconsin. I may say to my distinguished colleague from Minnesota that so far as I am concerned the House will pass on the merits of his amendment if he wishes to offer an amendment. That, surely is his privilege. I still like to believe we are getting back to representative government. Whether my endorsement would help or hurt the gentleman I do not know, so I suggest he offers an amendment if he has one.

Mr. DOMENGEAUX. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. DOMENGEAUX. As I understand the amendment offered by the gentleman it provides that subsection 301 (e), 301 (b), and 301 (d) of the 1937 Sugar Act shall be included in the pending bill. Those subsections provide for fair price determination and fair wage determination by the Secretary of Agriculture in a mandatory manner. Is that correct?

Mr. MURRAY of Wisconsin. This amendment is just the present law. If the present law does those things, then this amendment does those things, too.

Mr. DOMENGEAUX. The present law accomplishes that.

Mr. MURRAY of Wisconsin. Then this will do what the present law accomplishes.

Mr. DOMENGEAUX. Then the gentleman's amendment puts into the bill today that which is existing law.

Mr. MURRAY of Wisconsin. I took this matter up with the chairman of the committee and had his assurance that this should have been corrected. That is the reason I offer it this morning.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. McCORMACK. Is there any objection to the gentleman's substitute including present law?

Mr. MURRAY of Wisconsin. No; not according to the chairman of the Agriculture Committee.

Mr. McCORMACK. If I understand the gentleman's substitute, the substitute attempts to put into this bill what has been part of the several bills that have been passed during the previous years.

Mr. MURRAY of Wisconsin. The gentleman is correct.

Mr. McCORMACK. In relation to fair wages, fair prices, and so forth; nothing else.

Mr. MURRAY of Wisconsin. No, sir.

Mr. McCORMACK. It was my understanding that that was to be offered as a committee amendment. Am I correct?

Mr. MURRAY of Wisconsin. It was, but the committee amendment got a little complicated. It contained certain phrases which were rather ambiguous and under which it was difficult to anticipate what would happen. It seemed to me therefore that the part of wisdom was to modify it as I have done.

I wish to ask my distinguished chairman if I have answered these questions correctly, that this amendment will leave the present law just as it is as far as the producer and the laborer are concerned.

Mr. HOPE. That is my understanding. The amendment which the gentleman has offered reenacts the present provisions of the law relating to the payment of fair wages and the payment of fair prices.

Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by myself and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN.]

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I had an impression—an erroneous one I found out afterward when I came on the floor after being in committee for 2 hours yesterday afternoon—that the amendment offered by the gentleman from Kansas [Mr. HOPE] would put back into this bill the provision of the law that has existed since 1934. I subsequently found out that that was not so, and that the amendment offered by the gentleman from Wisconsin [Mr. MURRAY] would. I am supporting the Murray amendment.

My friend the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] says that he opposes the Murray amendment because it is the use of a governmental agency, in this case the Secretary of Agriculture, as a collection agency. Yet, as I understand, he has agreed to the committee amendment, and certainly if my understanding is correct—I may be wrong, but if I am incorrect, I would like to be corrected—the Hope amendment applies to those employed in the cane sections, and certainly it makes a collection agency for them if what the gentleman says about the collection agency is correct. So, it seems to me that the gentleman's basic objection is unsound, and that he find himself in an inconsistent position.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I do not think I am inconsistent in my position, because the committee amendment offered by the gentleman from Kansas does take care of those laborers in the areas where the processor is the one who handles the production.

Mr. McCORMACK. The gentleman admits that to that extent, if what he says is correct, it being a collection agency by an agency of the Government, that then the Hope amendment does that for

some employees of the sugar industry, that is, the cane employees.

The thought I had is this, that this is a very sensitive bill. Those who have lived with it for years realize that it is based upon certain practical necessities. I might term this a bill based on expediency. There are many diverse interests, and every one in this House wants to see an over-all bill go through that is fair and satisfactory to all the interests involved, and yet protect the public, and there must be a give and take here and there. All of these factors have been considered in bygone years by the Members of the House coming from various sections of the country.

It seems to be in the interest of harmony and carrying out that sensitive understanding which has existed in bygone years that there should be reincorporated into this bill the language in relation to fair wages and fair pricing that has been in the law since 1934 and that has been extended from time to time. If that is done, then there is no difficulty to this bill's passing, but, if it is not, then that sensitive adjustment will have been disturbed, and I hope that will not happen.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, the situation as we now find it is as follows: The existing law has provisions protecting workers in both the cane- and the beet-sugar industry, protecting them in two respects. No benefits are to be paid to processors unless two conditions are fulfilled. One is that the worker has to be paid in full, and the other is that the worker has to be paid a fair and reasonable wage established by the Secretary of Agriculture.

This bill has come to us without that provision in it at all. Now the committee offers an amendment restoring those provisions, in effect, only for cane workers. The committee amendment does not restore the protection for beet-sugar workers. I cannot conceive of any reason, first, for having left this entire labor provision out of the bill, nor can I conceive of any reason for reinstating this provision for the protection of the cane workers only and not extending it to the beet workers. What is the distinction? Why was this provision to safeguard both the cane and beet workers left out of this bill from the very beginning? Who were the interests that insisted on the elimination of this safeguard for all sugar workers which has been in this law ever since we have had a Sugar Act?

I think Congress and the American people are entitled to an explanation. What is more, I believe it is ironic that at a time when Congress is discussing the question of an increase in minimum wages, advocated by the House leadership of the majority party as well as by the House leadership of the minority party, that in this session, when we are trying to lift the minimum wage, we remove from the Sugar Act the provision which guarantees "fair and reasonable" minimum wages for all sugar workers? Why is it that we are now asked to destroy the minimum-wage

protection for the beet-sugar workers? Why was this minimum-wage protection for both cane and beet workers entirely eliminated when this bill was brought to the floor? Why are we asked now to refuse to protect the beet workers? Those are questions that raise a very serious suspicion in the minds of everyone with respect to the entire bill.

I do hope that the Murray amendment will be adopted as a substitute for the committee amendment. In that manner we will dispose of this wage question and return to a policy that Congress has followed from the first enactment of sugar legislation of giving some protection to workers in the sugar industry, both to the cane workers and the beet workers as well.

Mr. CRAWFORD. Mr. Chairman, apparently the producer who grows sugar beets and the processors who process the sugar beets, the State Department, the Department of Agriculture, and the Department of the Interior, by reason of their agreeing to the text of this bill as here proposed to be amended by the committee, have come to the conclusion insofar as those parties to the agreement are concerned, that the amendment offered by the gentleman from Kansas [Mr. HOPE] is satisfactory. This debate has brought into the discussion the other side of the equation, which is the general welfare, you might say, of the workers.

May I ask the gentleman from Wisconsin if his amendment provides present law language with respect to the prices which the factory pays to the grower for sugar beets?

Mr. MURRAY of Wisconsin. May I say to my distinguished colleague from Michigan that it does. It is an exact copy of the present law.

Mr. CRAWFORD. That is the point I wanted to bring out. Therefore, there is an equation which has not been mentioned so far in the debate on this amendment as I understand it. That is, that present law in lieu of the benefits paid to processors and growers provides that before these benefits can be obtained, the Secretary of Agriculture must agree to the price that is to be paid. Institutionally, outside of the realm of government control and government interference in private affairs and based on some 10 years or more of performance, the language in the present law has been accepted and we have gone along with it.

But coming back to my first observation and to my remarks of the other day to the effect that this bill puts into operation the agreement which was reached by the parties who sat around the table and agreed, you have to make up your mind whether you want to bring old law provisions into this proposal or leave them out with the modifications made by the gentleman from Kansas [Mr. HOPE]. So, it is a situation where I do not know how you can make up your minds. You certainly cannot go both ways so you must go one way or the other. If all parties agree on the so-called Hope amendment. Then you can thus substantially support the general

agreement which the bill covers and supports.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. FLANNAGAN] for 4 minutes.

Mr. FLANNAGAN. Mr. Chairman, the so-called Murray amendment will take some of the viciousness out of this piece of legislation. It should be adopted. If the Murray amendment is left out, the producers and the laborers have no protection whatsoever and you will be turning the sugar industry from top to bottom over to the processors.

When the 1934 law was passed, due to the fact that we were subsidizing the sugar interests, we thought that some provision should be written in the law which would carry back a part of that subsidy, at least, to the producers and laborers who produced the sugarcane and the beets. That is the reason we wrote into law the amendment that Mr. Murray is now trying to preserve, namely, that the Secretary should see that fair prices are paid to the producers and that the Secretary should see that a fair wage was paid to the laboring people. That was right and it is right that we should adopt that kind of legislation. They say it was agreed that the producer-labor provision be left out of the bill. Oh, yes; I know the way it was agreed to. I know who was around the table when this bill was drawn up. I challenge any man on this floor to name a single laboring man who sat around that table. This is the only protection that was in the law which protected the rights of the laboring man. If you do not adopt the Murray amendment you are leaving the laboring man and the producer at the mercy of the processors.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. McCORMACK. As far as the various groups, representing the different interests and the general public, is concerned, through the years in this bill, which is very sensitive, that it means that that sensitiveness is disturbed and broken up.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. FLANNAGAN] has expired.

The gentleman from New Mexico [Mr. FERNANDEZ] is recognized for 4 minutes.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment to the amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ to the committee amendment offered by Mr. HOPE: Strike out from subparagraph 3 of the amendment the following:

"(1) If producers in such area, who are also processors, produce in excess of 5 percent of the total production of sugar beets or sugarcane in such area, and also (ii)."

Mr. FERNANDEZ. Mr. Chairman, I am thoroughly in accord with the substitute offered by the gentleman from Wisconsin [Mr. MURRAY] and shall support it. However, if that substitute amendment is not agreeable, then I would like to have the amendment to the amendment adopted, for this reason:

The Murray substitute amendment substantially does, in effect, the very thing I am seeking by my amendment, but it goes further and strikes out all of paragraph 3 offered by the gentleman from Kansas [Mr. HOPE], which contains other provisions not necessary to be stricken in order to accomplish the purpose. My amendment does not go that far. It merely strikes out the language which deletes from the provisions of the law the wage benefits heretofore enjoyed by sugar beet labor.

Yesterday the gentleman from Colorado [Mr. CARROLL] asked the gentleman from Kansas [Mr. HOPE] this question:

Mr. CARROLL. Does not this amendment modify the present Jones-Costigan law in two respects: One, that it does not give the same coverage to the workers in the beet areas as did the original act?

Mr. HOPE. Yes; that is true. As drafted now it would not apply to any area where less than 5 percent of the beets or sugarcane was grown by processors. It is my understanding that less than 5 percent of the beets in the sugar-beet area in this country are grown by processors, so this amendment would not be applicable at the present time to the sugar-beet area of this country.

My amendment to the amendment merely strikes out the 29 or 30 words which eliminates areas where less than 5 percent of the beets or sugarcane are grown by processors, and which thereby exclude the beet workers. My State produces very little sugar beets, but it does furnish a great deal of the labor which goes into Colorado and other Northern States in the beet-production areas.

Unless the substitute amendment or my amendment to the amendment is adopted, I, coming from the State of New Mexico, which furnishes that labor, cannot possibly vote for the sugar bill. No reason has been advanced why this protection to our laboring men should be withdrawn. I hope that this amendment, or preferably the Murray amendment which will merely leave the present provisions of existing law in effect, will be adopted.

The CHAIRMAN. The time of the gentleman from New Mexico [Mr. FERNANDEZ] has expired.

The gentleman from Colorado [Mr. HILL] is recognized for 4 minutes.

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I agree with the gentleman from Massachusetts [Mr. McCORMACK] that this is a bill that requires considerable thinking. There is some real history behind this sugar legislation. I want to repeat there is not a single food product in this United States that has been handled with the dispatch and efficiency during the war years that sugar has. You are getting more food value for the sugar you use, more calories, shall I say, at the present price of sugar than any other single food product.

This bill comes to us this afternoon endorsed by the organization of the growers, the processors, and all the various segments of the sugar industry.

I wish to know whether this committee this afternoon would wish to bring in changes that have not been discussed by

our Committee on Agriculture and take us off on a tangent? Let me ask a question: What about the other agricultural products that are paid subsidies? Are you writing into that legislation minimum wages and guaranteed wages? What about potatoes? Many small children, younger children, are used to pick potatoes in the harvest season. No one has mentioned that. How about the dairy industry?

If you are going to write this kind of legislation on the floor of the House, write into it all these regulations for labor, then I ask you if you should not do so in every piece of legislation that comes in here touching subsidies. That is the question the House must decide.

The amendment offered by our chairman, the gentleman from Kansas [Mr. HOPE] is perfectly broad enough and written carefully enough by the assistants of the staff of our Committee on Agriculture to protect our beet laborers.

I come from the beet-producing area in the State of Colorado. We have compulsory school laws. Boys and girls must go to school. Even if they come up from the State of my good friend from New Mexico, they still must go to school in our communities. We are not using children in our beet industry.

Another thing, we are getting pretty well mechanized in the beet-sugar industry. I wish I had time to tell you about the great machines that have been developed. We are working as rapidly as we can to get the entire beet-sugar industry mechanized. The testimony before our committee was that within 7 years that will be accomplished, we may have the beet-sugar industry completely and wholly mechanized within that period. Then what is the use of these regulations? Such things should not be written into this legislation.

I hope the amendment offered by the gentleman from Wisconsin will be voted down and that he will support the amendment offered by the gentleman from Kansas [Mr. HOPE].

The CHAIRMAN. The time of the gentleman from Colorado has expired.

The Delegate from Hawaii [Mr. FARRINGTON] is recognized for 4 minutes.

(Mr. FARRINGTON asked and was given permission to revise and extend his remarks.)

Mr. FARRINGTON. Mr. Chairman, I move to strike out the last word.

The adoption of this bill with the amendments providing that the payment of fair and reasonable wages shall continue to be one of the conditions for qualifying for compliance payments under the law seems to me to offer the best possible solution now of the problem presented by the expiration on December 31 of this year of the Sugar Act of 1937.

The amendment offered by the committee as well as the substitute offered by the gentleman from Wisconsin cover the workers in the cane sugar-producing areas into the provisions of the law. The differences between the committee amendment and that offered by the gentleman from Wisconsin relate only to conditions in the beet sugar-producing

areas about which I will not presume to comment.

I do want to say here, as I have said to members of the committee, that I believe the perpetuation of this principle that has always been a part of this law is wise from every standpoint and lends considerable strength to the measure.

The Territory of Hawaii, as members of the committee fully realize, is one of the principal sugar-producing areas of the United States.

The production of sugar constitutes the basic industry of the Territory and has for almost three-quarters of a century. It is the principal source of income and employment of the islands.

I believe those members of the committee who are familiar with the Hawaiian sugar industry will agree that it has reached a point of development scientifically and industrially that is in the best traditions of free American enterprise.

The growth and perpetuation of this industry however is dependent upon some form of protection from the competition of sugar-producing areas in foreign countries where the standard of wages is far below that of the American sugar producers.

Under the conditions that confront the industry at the present time, the continuation of the Sugar Act of 1937 with the modifications contained in this bill for another 5 years seem to me to meet all of the requirements not only of the industry but of the consuming public in the best way possible under the circumstances which now confront us.

In terms of the Hawaiian sugar industry, 5 years is a very brief period. The production of a single crop of sugar in Hawaii normally requires 18 months. This means that 5 years involves only three crops.

It will require this period for conditions in world production to clarify to the point where sufficient information will be available for the development of a long-range policy.

The price of sugar has remained under control probably longer than that of any other product so that the additional time required in meeting this problem is not out of keeping with what has been done in the past.

The quota assigned to Hawaii under the bill will make possible expansion of production such as can be achieved through the introduction of new varieties of cane and other scientific advances. The prospects for such an increase at the present time are very promising.

The bill perpetuates the limitation of the original act on the shipment of refined sugar from Hawaii to the mainland. We of Hawaii have not altered our belief that this provision is discriminatory and unfair, but, other than recording our position, do not undertake to challenge this feature of the law any further at the present time, other than to express the belief that the principle is wrong.

The practical fact of the matter is that there is no immediate prospect that the amount of sugar refined within Hawaii itself is likely to be increased in the near future, although the time may come

whereby the introduction of new processes may change this situation.

I think it should be noted that this is offered as a temporary measure.

I should like particularly to call attention to the statement contained in the report of the committee that the committee believes that it should be made abundantly clear that the distribution of the American sugar market among the producers of the United States and foreign countries and the provision for the establishment of quotas for the ensuing 5 years on the basis provided for in this bill is not intended to establish, and should not be construed as establishing, a permanent production and distribution pattern nor as waiving American producers' rights to such portions of the American market as they can supply at the conclusion of the 5-year period covered by the bill.

On the contrary, the committee said it should be emphasized that this bill is designed to meet the problems of the temporary postwar transition period and is not to be regarded as the establishment of long-time national sugar policy.

I believe that the committee has shown that there is a sound basis for the changes in the law that have been proposed, and I hope, therefore, that favorable action will be taken on the measure with the inclusion of the amendment for safeguarding the rights of labor.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, the Committee on Agriculture gave very careful consideration to this provision relating to wages. We had before us during the hearings representatives from three labor organizations: Mr. Robert K. Lamb, representing the national CIO; Mr. William Glazier, Washington representative, International Longshoremen's and Warehousemen's Union, CIO; Mrs. Elizabeth Sasuly, Washington representative of the Food, Tobacco, Agricultural, and Allied Workers' Union, CIO.

We gave careful attention to the statements made by those representatives of labor. The feeling of the committee on this question is about like this: We do not believe that the farmers of this country are dishonest; we do not believe that they are in the habit of beating their bills and not paying laborers the money due them. We think they pay fair wages in the sections of the country with which the members of the committee are familiar, and we are familiar with all sections of the country because the members of the committee come from all sections. We do not in the case of any other agricultural commodity where we are paying a subsidy to producers demand that before the producer can receive his payment he must show that he has paid his help or that he has paid certain wage rates determined by the Secretary of Agriculture—determined by the Secretary of Agriculture to be fair and just. I know of no good reason why there should be an exception made as to sugar farmers because I think they are just as honest as the farmers that grow any other commodity. I do not believe

that the raising of sugar beets or sugarcane automatically makes a farmer dishonest.

With that thought in mind the committee felt there was no reason for including these wage provisions. However, it was represented to the committee that in those sections where there is a surplus of labor that this type of legislation was needed. So, yielding to the urging of the gentlemen from Louisiana [Mr. DOMENGEAUX and Mr. BOGGS], and the Delegate from Puerto Rico, Dr. FERNÓS-ISERN, the committee adopted the amendment which is now before you and which does take care of this situation in the cane-growing areas. In the beet-growing areas we do not have that situation. There is no surplus of labor. On the other hand, there is keen competition for labor in other agricultural industries beside sugar beet production. No one appeared from the sugar beet areas of the country and asked that the laborers in the sugar beet fields be included in this provision. For that reason the committee adopted the amendment offered by me as a committee amendment. We believe it takes care of the situation. The amendment offered by the gentleman from Wisconsin is not needed and should be voted down.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New Mexico [Mr. FERNANDEZ] to the amendment offered by the gentleman from Kansas [Mr. HOPE].

The amendment was rejected.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Wisconsin [Mr. MURRAY] for the amendment offered by the gentleman from Kansas [Mr. HOPE].

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 63, noes 64.

Mr. MURRAY of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HOPE and Mr. MURRAY of Wisconsin.

The Committee again divided; and the tellers reported that there were—ayes 96, noes 80.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE] as amended.

The amendment was agreed to.

Mr. HOPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: On page 30, line 6, strike out "individuals or associations" and insert in lieu thereof "persons."

The amendment was agreed to.

Mr. FLANNAGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLANNAGAN: On page 15, line 21, strike out all of section 206.

Mr. FLANNAGAN. Mr. Chairman, I have offered this amendment in order to obtain the floor to ask the gentleman from Louisiana [Mr. DOMENGEAUX] some

questions. I do this in order to clear up the record.

I made certain charges yesterday against Mr. Earl Wilson. Later in the evening the gentleman from Louisiana made the statement that Mr. Wilson, who was vice president of the National Sugar Co., of New York, in 1943 became connected with the Commodity Credit Corporation for the purpose of helping to move the Cuban crop, and that at the time Mr. Wilson became connected with the Government that he was paid a salary of \$1 a year, and, of course, his salary with the National Sugar Co. continued; and that in August 1945 Mr. Wilson became head of the sugar branch of the Department of Agriculture, and at that time severed his financial interest, and so forth.

I understand the gentleman means to say that from the time Mr. Wilson entered the employment of the Government in 1943 until he became the head of the Sugar Branch of the Department in August 1945, he did not draw a Government salary but did continue to draw his salary as vice president?

Mr. DOMENGEAUX. That is correct, as I understand it.

Mr. FLANNAGAN. This morning in order to recheck my figures I took the matter up again and I want to report to the House that the record of the Department does not square with that statement. Mr. Wilson was employed by the WPB on July 8, 1942, at \$1 per annum. He was transferred to Agriculture under Executive Order 9280 on January 8, 1943, as collaborator without compensation in the War Food Administration. On February 5, 1943, he was appointed as special representative of the Commodity Credit Corporation, Office of the President, at a salary of \$7,000 per year. Note that this is prior to August 1945. On December 29, 1943, he was appointed Director of the Sugar Division of the Commodity Credit Corporation at a salary of \$7,000 per year.

I just wanted to make the record plain so that it would show the true facts.

Mr. DOMENGEAUX. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. DOMENGEAUX. It may very well be that August 1945 was the date in which he severed his relations and no longer received a salary from the National Sugar Co. during the period of time in which he was in the employ of the Government.

But I do want to make this statement again because I believe it is absolutely true, based on the facts that have come to me. Mr. Wilson did not receive a salary from the Government and a salary from the National Sugar Co. at the same time. After that date when he was appointed head of the Sugar Branch. His salary with the National Sugar Co. ceased when he assumed his new position which included the administration of the Sugar Act. I believe those are the facts.

Mr. FLANNAGAN. Well, the gentleman stated on yesterday that the fact was that he did not receive a salary until August 1945, and the records of the De-

partment which I rechecked this morning prove otherwise.

I want to call the attention of the House to another significant fact. Mr. Earl Wilson is still connected with the Department of Agriculture as a consultant on sugar matters. He is in the employment of the Department to this good day.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. DOMENGEAUX. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia may proceed for two additional minutes. I think this matter should be clarified.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. DOMENGEAUX. Mr. Chairman, will the gentleman yield? The gentleman is making a very serious charge.

Mr. FLANNAGAN. I am not going to enter into a useless discussion. If you will get the facts here under the signature and affidavit of Mr. Wilson or the president of this sugar company as to when they stopped paying him a salary, then I will talk with the gentleman.

Mr. DOMENGEAUX. Will the gentleman yield for one question? You are making these charges. Has the gentleman any facts? Has he anything to establish that Mr. Wilson received a salary from the National Sugar Co. after he became administrator of the Sugar Act?

Mr. FLANNAGAN. That is exactly the charge I made yesterday.

Mr. DOMENGEAUX. Have you any facts to substantiate that charge?

Mr. FLANNAGAN. I put the facts in the RECORD. If you want to deny them, come here with an affidavit.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. FLANNAGAN. Mr. Chairman, I withdraw my amendment.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: On page 31, line 4, strike out "1952", and insert "1949."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, whatever may be the disposition of the House on this particular piece of legislation today, there can certainly be no harm in shortening the length of time that it is to be in effect. If a bill which becomes a law cannot be carried out and administered properly in 2½ years—and that is the length of time this amendment gives to this bill—it ought never to have been passed by the Congress.

I say to the House that it is futile to pass a bill that will continue for 5 years, because a great many changes may take place in the next year or two. Who knows? We may have an entirely different administration. I, for one, want to see some sort of a bill passed which will be administered properly in a reasonable length of time.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. HOPE. The gentleman understands, of course, that Congress will be in session during the next 5 years.

Mr. EDWIN ARTHUR HALL. All the more reason why we do not need such a long period for the law to be in effect. Congress can continue it as soon as the law expires, and if it is a good law there will be no hesitancy on anyone's part to do so. I feel that 2½ years is long enough for any law to be in effect, and if the Congress wants to continue it at the end of that time, it certainly can do it. A great many changes may come about.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman who is also a distinguished member of the Committee on Agriculture and is fully acquainted with this legislation, as he is with all legislation that comes before the Congress, knows that any committee of Congress in any Congress can review or modify or amend any piece of legislation; and does not the gentleman concede that within the next 2 years, if this legislation is not feasible, he or those in the House can amend it?

Mr. EDWIN ARTHUR HALL. Yes; and by the same token, if we want to continue this act after 1949, we can do it. I repeat, a great many changes may take place.

The sugar situation is becoming more obnoxious and more annoying to the country in general as time goes on. Personally, I have heard a great many comments on this side of the aisle about the regulation of sugar. Many Members have told me privately that they are pretty sore about seeing legislation brought in that will continue the stringent regulations on this entire sugar program.

As far as the American public is concerned, there were many Members of Congress who came up for reelection last year who had a hard job getting by the electors as a result of the embarrassing light they were placed in by these tin-horn dictators that hold sway in some of the various departments and bureaus of our Government.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I am sorry; I do not have time to yield.

The sugar situation, while it may seem picayune to some, has become a major issue in the minds of the people back home. They are angry about the bungling they have seen. They are also sore about any continuation of the regulations that have impeded the purchase of sugar. I think it is time this Congress woke up to the fact that the American people like a high standard of living. They like to have a fair amount of sugar. The housewife should have it for use in the home, and she has been deprived of sugar for the past few years. The war is over. The sky should be the limit as far as sugar production goes, and with the demands that we are going to have, not only in our domestic consumption but from foreign countries, the sugar pro-

ducers and growers in this country ought to be encouraged to do everything they can to produce a bumper crop, so that we can have all the sugar we want, and so that the people throughout the world, who depend upon American supplies, will have all the sugar that they need and want.

The time has come for us to take the bull by the horns and to insist that no legislation that comes from this House be continued for an unreasonable length of time. I believe that 2½ years are sufficient. I believe the Members of this House are intelligent enough to continue the law when it expires, if necessary, and to pass any legislation that may be needed at the end of 2½ years.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes.

Mr. HOPE. Mr. Chairman, this particular amendment strikes at the heart of this bill.

The gentleman from New York says that he wants us to produce a lot of sugar in this country so we can export it and take care of the demands of the world. If he knew anything about the sugar situation in this country, he would know, of course, that we have never exported sugar from this country. We have been, we are, and we always will be, an importing nation so far as sugar is concerned. So that question is not involved at all in this legislation.

There are two particular provisions in this bill which I believe it is vital to retain, because they are the basis upon which an agreement has been had by the various producing areas and by the Department of Agriculture, the Department of the Interior, and the State Department. One of those is the provision for 5 years. This particular period is desired and insisted upon by all of the producing areas because it is felt that it will take that long to determine whether or not this type of legislation is what we want, and to work out our postwar sugar supply and demand situation.

The gentleman from New York suggests that, if we cannot find out in two and a half years if this type of legislation is what we want, that there is no use trying. It is quite possible that we may not even put this legislation into effect for 1 or 2 years. It is altogether likely that quotas will be suspended for next year and possibly for the following year. So if we terminate this legislation at the time suggested by the gentleman from New York, we may never gain any experience under it. I trust, therefore, that those of you who are interested in sugar legislation and in the stabilization of this industry will vote down the amendment, because if it is adopted, it will utterly destroy the purpose and intent of this legislation.

Mr. Chairman, at this point I desire to make a statement explanatory of the definitions contained in title I of the bill. Title I contains all the definitions applicable to the entire bill except title V. Title V contains proposed amendments

to the provisions of the Internal Revenue Code relating to taxes on sugar, and separate definitions for tax purposes are found in the Internal Revenue Code.

Definitions contained in title I are exactly the same as the definitions contained in title I of the Sugar Act of 1937 except for a slight change in the definition of "liquid sugar."

The definition of "liquid sugar" is found in subsection (f) of section 101 of title I. In the present law "liquid sugar" means "any sugars—exclusive of sirup of cane juice produced from sugarcane grown in continental United States—which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble nonsugar solids—excluding any foreign substances that may have been added—equal to 6 percent or less of the total soluble solids." The definition is changed by the bill so that the second parenthetical clause in the definition would read "excluding any foreign substances that may have been added or developed in the product." The definition as changed will not bring within its terms any new or different type of sugar product. The purpose is to include certain sugars which properly belong within the definition but which have not been covered by the definition because there has been artificially developed in the product additional soluble nonsugar solids sufficient to make the total soluble solids of the product in excess of 6 percent.

The committee considered several suggestions for changes in the definition of "producer" but concluded, after going into the problems involved, particularly with respect to the manner in which payments are now being made to producers in Hawaii, that the definition in the existing law is adequate and enables the Secretary as in the past to deal adequately with the circumstances peculiar to the particular areas. After discussing the matter at considerable length with representatives of the Department of Agriculture, the committee saw no compelling reason why the definition of "producer" as found in subsection (k) of section 101 should be changed since the committee could not question the legality of the administrative interpretations of the definition of "producer" which the Secretary of Agriculture has made in the past in administering the act in the several areas.

Mr. FLANNAGAN. Mr. Chairman, I desire to be recognized on the amendment.

The CHAIRMAN. The gentleman from Virginia is recognized for 5 minutes.

Mr. FLANNAGAN. Mr. Chairman, I agree with the gentleman from Kansas that in all probability the adoption of this amendment will render invalid this piece of legislation, because in all likelihood we will have to continue sugar quotas for the next 2 or 3 years which would render this bill inoperative in that its provisions would never go into effect.

I think the adoption of this amendment will be a Godsend to the American

housewives, because in effect it will kill this bill.

Just let me tell you a few things about this bill. No one in this country ever heard about tying the price of sugar or any other commodity to the cost of living index until someone, I do not know who, conceived that idea down in Cuba in July 1946 when this Government entered into a contract for a 2-year period buying the entire Cuban crop. For some strange reason that provision was written into the Cuban contract, the same provision they are trying to enact into the basic sugar law.

What happened to sugar? That Cuban contract was entered into in July 1946. Of course, the Secretary should give the American processors the same treatment, and he did, after they established that formula, but he had no right to establish that formula, in the first place, in my opinion. But what happened? When the Cuban contract was entered into sugar was \$6.10. In September 1946 the Secretary boosted the price to \$7.60. He boosted it again on November 20, 1946, to \$8; on January 18, 1947, to \$8.20; on March 30, 1947, to \$8.25; and he did that because he was carrying out that provision or that yardstick he had written into the Cuban contract as the yardstick by which the price of sugar should be measured. That is what has happened.

Of course, the sugar trust wants that perpetuated, of course they want that provision written into the basic law so the Secretary of Agriculture will be hogtied and compelled to raise the cost of sugar from time to time. That is what they are fighting for. They are interested in but one section in this bill and that is section 201 in which they adopt the same formula that was written into the Cuban contract.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Pennsylvania.

Mr. GROSS. Why did not the gentleman raise that opposition in committee?

Mr. FLANNAGAN. I had a mighty good reason. I did not know anything about it. I knew no more about it than the gentleman from Pennsylvania, and I am not criticizing the gentleman from Pennsylvania for not knowing anything about it in committee, because he did not have the opportunity of acquainting himself with it. We did not have the bill before us until we went into session to begin the hearings.

Mr. GROSS. Did the gentleman vote for the bill?

Mr. FLANNAGAN. I voted against the bill.

Mr. GROSS. The gentleman did not vote against reporting the bill out did he?

Mr. FLANNAGAN. I served notice on the chairman at that time that I could not support this legislation. No one in the committee had an opportunity to go into the provisions of this bill and study the effect it was going to have on the consuming public. No one was given that opportunity. This legislation has been rushed, rushed, rushed.

Mr. GROSS. The gentleman knows the committee had this bill before it so many days the members were tired of it and it was reported out because they were tired of it; yet the gentleman says nobody had a chance.

Mr. FLANNAGAN. The gentleman evidently is mistaken; evidently he did not attend the committee meetings. We had only three hearings on the bill, that is all, and no one had an opportunity to familiarize himself with the bill before those hearings were over.

Mr. GRANGER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York.

(Mr. GRANGER asked and was given permission to revise and extend his remarks.)

Mr. GRANGER. Mr. Chairman, the gentleman from Kansas [Mr. HOPE] has stated the proposition correctly when he said it was anticipated that it will be 3 years before this bill can be tested and that it will take time before it will point the way to what we might want to do with sugar legislation in the future. Even if all the extravagant charges the gentleman from Virginia [Mr. FLANNAGAN] makes were true, it would still remain as the gentleman from Colorado [Mr. HILL] said on yesterday. This is a part of our agricultural economy that is controlled. No matter what the Sugar Trust would attempt to do after this legislation is passed, you have sufficient safeguards, because the formula and the weight that is put upon the formula is applied by the Secretary of Agriculture, and he is the individual who will have a lot to say about what the price of sugar will be.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I think there has been misunderstanding about the power of the Secretary to fix the price of sugar. He does not do that. He can fix a quota on the amount of sugar that may be sold in this country in interstate commerce.

Mr. GRANGER. That is true.

Mr. AUGUST H. ANDRESEN. But he does not fix any price on sugar.

Mr. GRANGER. Only as it is fixed indirectly by quotas, I agree with him.

I hope this amendment will be defeated and any motion offered to recommit, because this legislation, I am willing to admit, is an intricate piece of legislation. I do not know all, perhaps, that is in it, but I certainly know the new language that has been added. Most of the language that was left out has been restored by action of the committee, and the only thing that is left in this section the gentleman from Virginia [Mr. FLANNAGAN] is talking about. It is plain. It is understandable, and while I cannot say what effect it will have, neither can he, because those who have prepared the legislation or had much to do with it down at the Department of Agriculture, say that it is impossible to tell without trial and error whether or not this formula would even raise the price of sugar. It might well lower it.

So, I hope by all these complaints and amendments that have been brought in, that we are not going to be carried off our feet by approving the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL], who spent very little time in the committee, as I remember, when this bill was under discussion, and certainly the gentleman from Virginia [Mr. FLANNAGAN] did not raise all these questions before our committee. I hope that this amendment and all amendments that would cripple this legislation are defeated, because this is a continuation of the Sugar Act that we have had since 1934 and does not change it in any material way.

The CHAIRMAN. The time of the gentleman from Utah has expired.

The question is on the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

The amendment was rejected.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL:

On page 7, line 4, strike out "4,268,000" and insert "5,268,000."

Between lines 5 and 6, strike out the following table and insert in lieu thereof: "Domestic beet sugar, 2,300,000; Mainland cane sugar, 1,000,000; Hawaii, 1,052,000; Puerto Rico, 910,000; Virgin Islands, 6,000."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, of course, none of us knows everything about every subject, and I have never set myself up as an expert, but some of the individuals who have been casting aspersions at me about my lack of knowledge on the sugar situation ought to receive the mail that I have had and the expressions of absolute dissatisfaction that the housewives and people in general back home have evidenced about this whole sugar question.

The point was made that we are an importing nation as far as sugar goes, not an exporting nation. I happened to hear the Secretary of Agriculture say before the committee—and the rest of you who were there heard him; I happened to be there that day, in spite of the unnecessary reference made by the gentleman from Utah. The Secretary as much as said that his committee which deals with the allotments of sugar for foreign countries has the final word in its allotment of sugar for relief of foreign countries. So do not let anybody try to kid you that I do not know a lot of this sugar, which ought to go for American consumption, will be sent abroad. I have no quarrel with the general principle of relief to foreign countries, and my record is crystal clear on that.

Let no one suggest that I am at all antagonistic on that score. I do say, however, that the American people have the right to expect that domestic sugar will be earmarked to quite a large extent for them. I do not believe that in taking that position I am any different than any other Member of this House who wants to be a good American. I happen to know the hard feeling that was and is rife back home over sugar. A lot of people who would make light of a question of that kind will probably not agree, but it is the crux of the whole question on

the standard of living back home and the necessity of giving our own people the supplies they ought to have. I suggest that serious consideration of this question cannot be left aside unless we consider at least a quota reorganization and a change. I do not say these figures are correct. I am not setting myself up as an expert, but I do say that the sky should be the limit as far as encouraging sugar production is concerned. Our domestic raisers ought to have the opportunity to raise those quotas if they want to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I know people everywhere are disgusted with rationing. Of course, housewives are no longer rationed. But will the gentleman devote his few remaining minutes to a discussion of his amendment, so that we can find out just what he is proposing?

Mr. EDWIN ARTHUR HALL. My amendment simply increases production quotas for domestic beet and cane sugar. It is foolish and shortsighted at this time, in view of the demands the domestic consumers have made upon the country, and in view of the demands the Secretary of Agriculture is going to make, to try to set quotas that may be too low for raising of sugar. I for one want to see us have all the sugar we can possibly get, and I am going to continue to take that position regardless.

Mr. AUGUST H. ANDRESEN. How much does the gentleman's amendment propose we increase the sugar quota? Is that in acreage or tons?

Mr. EDWIN ARTHUR HALL. It increases the domestic quota 1,000,000 tons, half a million tons for cane sugar and half a million tons for beet sugar.

Mr. AUGUST H. ANDRESEN. Is that in tons or in acres?

Mr. EDWIN ARTHUR HALL. It is in tons.

Mr. AUGUST H. ANDRESEN. Would that increase the acreage allotment?

Mr. EDWIN ARTHUR HALL. I assume it would. There is plenty of land which can be added to both cane and sugar-beet production. I would much prefer to see acreage increased rather than done away with as it very well could be by exacting too stringent quotas.

Mr. CLEVINGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I happen to be a member of a special subcommittee of the Committee on Agriculture that spent a number of weeks studying this sugar question and the world sugar supply. Mr. AUGUST H. ANDRESEN, Mr. HILL, Mr. HOEVEN, Mr. PACE, Mr. POAGE, and Mr. GATHINGS compose that committee. I suppose it was because we learned so much about the world supply that the members of that committee are so modest about taking some of your time. But I just simply cannot sit here and take it any longer. We have three deficit areas in the world in the production of sugar.

Java, which normally produced some 2,000,000 tons is out of the picture. The island of Formosa which formerly supplied Japan and the East with 1,200,000

is out of production. The whole Philippine picture is down to perhaps 20 percent of their normal production. So far as the beet-sugar areas in Europe are concerned, I do not need to tell you anything about that. France, Germany, and all of central Europe ate beet sugar. That is the thing that is causing so much grief to our friend here from New York.

We have been using 68 and 70 pounds instead of 110 or 112 pounds that we normally get. I say to you it was not easy for me, a protectionist Republican, to swallow the wool legislation. I went along with it with my tongue in my cheek, because I realized the party does not have two-thirds of the House and Senate, and the day for majority rule seems to have passed temporarily. I am looking at the picture realistically. I want to see every bit of sugar produced that can be produced, otherwise we will just have rationed scarcity and no sugar.

This is not a palatable measure to a man who knows that an American laborer has to have protection against a tropical laborer. A man who wears overalls and work clothing cannot work against a man in a G string, and a man living in a house cannot compete with a man living in a palm tree. But, nevertheless, that is the condition we face. But I swallowed this; I just buttoned up my likes and dislikes and I recommend that during this 5-year period at least until we bring the world back into sugar production we hold our noses and vote for this to make some sugar, make it possible for people to produce sugar, and then wait for the day that we may return to satisfactory protection to take care of the American laborer.

Mr. BENDER. Mr. Chairman, I wonder if the gentleman would explain the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. CLEVINGER. Let us be charitable. I am modest. The more I know about the world sugar picture—I am like the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] and the gentleman from Georgia [Mr. PACE], I am almost too humble to speak about it. But I ask you to be realistic and see if we cannot raise some sugar instead of so much fuss.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

The amendment was rejected.

Mr. LYNCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LYNCH: On page 16, line 7, after the word "sugar", strike out the period and insert a comma and add the following words: "which the Secretary shall allocate on the basis of direct consumption shipments in the years 1939 and 1940."

Mr. LYNCH. Mr. Chairman, this is a very simple amendment and I think it has considerable merit to it. It has nothing to do with increasing or decreasing the various sugar quotas. It has to do with the protection, however, of those industries that have gone into the refining business in Puerto Rico. I ask in this amendment that the allocation be

based upon a definite pattern decided upon by the Congress.

It seems to me that where we have a quota and where we put a quota on any product we must take the position of protecting those people who have been in the business prior to the imposition of the quota.

My distinguished friend from New York [Mr. BUCK] yesterday spoke about these quotas and spoke about the restrictions. There is a great deal in what the gentleman said. The fact of the matter is we have got these restrictions, and, having the restrictions, it seems to me it would be most fair and equitable to say now that the quota has been established at 126,033 short tons, that those short tons should be divided amongst those refineries which are in existence at this time. The objection will be made: "Well, that is repression of business." But the repression would not be were it not for the fact that we place a quota on the sugar in the first instance.

I think that those companies which have invested hundreds of thousands of dollars in the construction of their refineries in Puerto Rico should be protected in their investment, and that we should not pass any laws which place a quota and at the same time leave open the other part of the barrel so that other companies may come in and get a part of the quota, to the detriment of those who are presently operating them.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. AUGUST H. ANDRESEN. I just wanted to get a clear understanding of the gentleman's amendment. The gentleman proposes that these 126,000 tons of sugar—and that is refined sugar—

Mr. LYNCH. Yes.

Mr. AUGUST H. ANDRESEN. Which comes from Puerto Rico shall be allocated to certain companies that deal in refined sugar in the United States?

Mr. LYNCH. No, no. To the Puerto Rican refineries, on the basis of the 1939-40 shipments.

Mr. AUGUST H. ANDRESEN. I get the gentleman's point. I think there have been one or two new refineries established in Puerto Rico.

Mr. LYNCH. My information is there are seven refineries down there, in all, and that they were in existence and operating there in 1939. As I say, I understand there have been none established since. It is amongst those that I think the quota should be divided.

Mr. AUGUST H. ANDRESEN. Of course, it would not be very much for each one if you would allocate only this 126,000 tons.

Mr. LYNCH. That is exactly what is being done today except on a different basis. As I understand, the Secretary still allocates, but it seems to me they should have some assurance as to what the allocation is going to be, and the assurance that I suggest is that Congress pass the basic formula, which is shipments during 1939 and 1940.

The CHAIRMAN. The time of the gentleman from New York [Mr. LYNCH] has expired.

Mr. HOPE. Mr. Chairman, the effect of this amendment would be that the Congress would say to certain refiners in Puerto Rico: "You can bring sugar into this country in a refined form."

And we would say to other refiners: "You cannot bring in any refined sugar to this country."

It is my understanding that some refineries have been built in Puerto Rico since the 1939-40 period. Under this legislation the imports of direct-consumption sugar—I should not say imports, because Puerto Rico is a part of the United States—but the shipments of direct-consumption sugar from Puerto Rico are limited.

The Secretary of Agriculture determines from what refineries those shipments may come. I am sure that in the past the Secretary has been fair and equitable in the apportionment of those allocations, and I am sure that he will be in the future. I do not believe that this Committee, without knowing anything about the situation, should at this time say that only those refineries which were in existence in 1939 and 1940 should be permitted to ship sugar to the United States at this time. It can readily be seen that this is a matter that in all fairness can only be left to the Secretary of Agriculture.

I urge that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LYNCH].

The amendment was rejected.

Mr. PACE. Mr. Chairman, I had not intended to comment on this bill, not because I have any misgivings about the bill, for I shall support it, but principally for the reason that I am not an expert on sugar and had some doubt about being able to contribute anything helpful. Two references, however, have been made to the Secretary of Agriculture and I do want to comment on those references. I doubt, Mr. Chairman, that any Secretary of Agriculture likes this type of legislation. I think it is very peculiar. If you study the bill you will find that the Secretary of Agriculture has complete discretion in every particular under this bill except in the allotment of quotas among the different producing areas.

The gentleman from Virginia objected to the language in section 201 setting up factors the Secretary shall consider when he determines the over-all supply of sugar. But if you read that section you will see it is still entirely in the discretion of the Secretary of Agriculture as to the amount, the weight, he shall give each factor and that he is specially required to protect the interest of the consumers of sugar.

If you turn to section 302 of the bill, which fixes the acreage allotments to the beet and sugarcane producers of this country, there is no standard set up there like we have in wheat, cotton, and corn acreage allotments. That, if you please—the allotment of acreage to the producers of beets and cane—is entirely discretionary. You will also find that the discretion of the Secretary extends to the point

where he can vary the import quotas every 30 days.

Comment was made yesterday by the distinguished gentleman from Virginia that the opening statement of the Secretary of Agriculture to our committee was that he was not too well informed about the provisions of this bill. I would consider that standing alone as a rather critical reference. I think that much is true, because at the time the Secretary was getting ready to leave this country for Europe. But I think it is proper that I mention in this connection that sitting in our committee beside the Secretary of Agriculture was one who had been in every conference held on this bill, who was familiar with every "t" and every dot in the bill, that was Jim Marshall, Chief of the Sugar Section, who was there to advise with the Secretary in his testimony.

Of all the innuendoes which have been cast here reflecting upon the activities of certain gentlemen I am quite sure there has been no statement made, and no statement can be made, reflecting upon the character or the integrity of Jim Marshall, the Chief of the Sugar Section, or the Secretary of Agriculture. These two gentlemen, I am sure, have as deep and sincere an interest as does the gentleman from Virginia in the welfare and in protecting the interest of the American consumers, the American beet and cane growers, and the American men and women who work in the beet and cane fields. In view of the fight Mr. Marshall and Secretary Anderson have made to secure an adequate supply of sugar for our people and to keep down the price of sugar, it is now poor compensation to infer they would agree to any legislation which would be contrary to the best interest of the consumers.

The second reference critical of the Secretary of Agriculture was because there was included in the last Cuban contract under which we bought the entire Cuban sugar crop a provision to the effect that the price we pay Cuba would travel with the cost index in the United States. I think something needs to be said about that. I think you should understand that situation.

For several months the sugar section of the Department of Agriculture undertook to negotiate a contract for the purchase of the Cuban crop. It was important that it be done and that our Nation buy and control the entire Cuban crop.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. PACE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PACE. Mr. Chairman, it was most important, if you please, that our Government buy and control every pound of the Cuban crop in order to protect the American consumers of sugar. The sugar section was unable to complete a contract with Cuba and it was so important that the Secretary of Agriculture flew down

there himself to negotiate a sugar contract which did give us complete control of the entire sugar crop.

What did Cuba ask? If you please, they asked no more than every man sitting on this floor would have asked, and the Secretary of Agriculture had to agree to it to get the contract. Here is what they asked: They said, "Mr. Secretary, we take our sugar dollars and buy American products. We are entering into a contract here for the sale of our entire crop. The cost of things we buy in America is going up and we ask you to write into this contract a provision that when the cost of things which we buy in the United States goes up, the price of our sugar shall go up proportionately in order that what a hundred pounds of our sugar will buy today will continue to buy the same in American products throughout the period of this contract."

Do you see anything wrong with that? That is the same as the parity principle that is written into every piece of farm legislation this Congress has enacted. That is how it came about that the Secretary of Agriculture was able to extend fair treatment to the producers in Cuba who had done so much to contribute to the sugar supply of this country during the war and was able to acquire and control the entire sugar crop of Cuba. That is one of the reasons sugar is more plentiful today.

I want to say one more word. I do not know that we gain anything in considering legislation by talking about people. I hope this country will continue to be a land of opportunity. I hope that when men work hard they may be rewarded. Reference was made yesterday to Mr. Robert Shields, one of the most able representatives the Government has ever had in the Department of Agriculture. He went there as a young man, he worked hard, and his capacity was such that he filled practically every position in the Department of Agriculture. He was later made a very handsome offer by some of the sugar interests. Unless there is something here—and I have found nothing—to indicate there is something in this bill which is wrong, that there is something in this bill which is fraudulent, it does not seem to me the Congress of the United States should spend its time casting aspersions and innuendoes on men who have given almost their entire life to the service of the Government.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kansas.

Mr. HOPE. I simply want to say that I desire very much to associate myself with the statements which the gentleman has just made, and particularly the statement he has made with reference to Mr. Marshall and Mr. Shields.

Mr. PACE. I thank the gentleman. The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. FLANNAGAN. Mr. Chairman, I move to strike out the last word.

May it please the Committee, I want it distinctly understood that I did not deal in innuendoes on yesterday, nor have I indulged in innuendoes today. I

made direct charges. Now Mr. Marshall has been brought into this picture. He seems to be a nice young gentleman. But, now, who is Mr. Marshall? Why, Mr. Marshall was the man who was put in charge of the Sugar Branch of the Department of Agriculture by Mr. Shields when he was head of Production and Marketing. Now, he may be the most honest man in the world. He is a young man, and when they met in Shields' Washington office and sat around the table to discuss this bill, here is the picture: Mr. Marshall is there representing the Government, and his former boss on the other side representing the Sugar Trust. I cannot help but think that he would be influenced, though it may have been an unconscious influence. Mr. Marshall appeared before the committee in executive session. I had found out something about section 201 and the change in it, and I asked him why they were tying the present price of sugar, driving that stake down and tying it up with the cost of living, a formula that we had never heard of before in America until the Cuban sugar agreement was reached. He finally said it was put in there in order to raise the price of sugar. That is what he said when he testified; that that was why they put the formula in the bill. He did state that they had modified it some; but it is still the same provision that is in the Cuban contract, and appears in this bill for the first time in America's legislative history. I know what has been the result of the provision in the Cuban contract. It has raised the price of sugar \$2.15 to the housewives in less than a year, which means around \$300,000,000.

Now, gentlemen, this is a serious problem. I am going to offer a motion to recommit this bill and continue the present Sugar Act and give this committee further time to look into the situation.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Utah.

Mr. GRANGER. I think the gentleman has always been fair enough to be accurate in his quotations.

As I understand Mr. Marshall, although I may be wrong, he was questioned time and time again on what this formula might do to the cost of sugar. As I remember, he said perhaps some of the people who wanted the formula tied to the cost of living thought that it might be raised, but he thought it might well lower the price. That is what he said.

Mr. FLANNAGAN. Yes, but he said that was the reason it was in here. I kept on hammering on it in executive session. I wanted to know why it was in there. I am just asking you to leave it out for a year and proceed under the present Sugar Act. We know how the present act operates. I know and you know and the gentleman from Colorado knows that this new formula can be figured out to a mathematical certainty any day in the year, and that it hog-ties the Secretary.

Mr. BUCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCK: On page 28, line 25, strike out section 406.

Mr. BUCK. Mr. Chairman, I hope this amendment will be accepted by the Committee. The section it seeks to strike out has nothing to do with the objectives of the bill and has no place in a statute written by the Congress of the United States. If a section such as this appeared in a law written in Russia or prewar Germany or Italy or Japan I would not be surprised, but I am surprised to see it in a statute of this Congress. What this section does is give the Secretary of Agriculture authority to force a neighbor to inform upon his neighbor or upon his competitor, or even upon his best friend; and if he refuses to act as an informer, the Secretary of Agriculture can slap a \$1,000 fine upon him. This section should be eliminated. My amendment should be adopted.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. GAMBLE. This section sounds very much like a provision Mr. Henderson was very eager to get in the original OPA Act, but the Committee on Banking and Currency knocked it out in committee and it never got on the floor. It was an informant act along the same lines.

Mr. BUCK. It had its genesis back at that time.

Mr. GAMBLE. I think so.

Mr. BUCK. I thank the gentleman.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the provision to which the gentleman from New York refers, or provisions similar to it, and in many cases far stronger, will be found in every regulatory act on our statute books. This is not something that is peculiar to the Sugar Act. Every regulatory body or every official with regulatory functions in the United States Government is operating under some such provision as this.

We have set out in this legislation certain provisions which require the Secretary of Agriculture to make findings and determinations. I cannot mention all of them for I will not have time, but in section 201, for instance, in determining the quotas he has to find out what the inventories are in the hands of the producers, refiners, distributors, and industrial users. He has to have that information in order to determine the amount of the quota. In section 208 there is a provision that prohibits the shipping, transporting, and marketing of sugar in interstate commerce after the quotas have been filled. Unless the Secretary has some authority to make those inquiries he has no way of making those determinations.

A little while ago the Committee adopted the Murray amendment, which puts into effect the provision that the Secretary must determine that the workers in the fields have been paid a fair wage, and that they have been fully paid, before a grower can receive his Federal payment. We provide also in the Mur-

ray amendment that a processor who is also a grower may not receive his payments until it is shown that he has paid other growers a fair price for the cane or beets they have produced. Without this authority the Secretary would have no way at all of getting the information which we say he must have in order to make these determinations.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. BOGGS of Louisiana. In other words, it would be utterly impossible to administer this act without the provision. Is that not so?

Mr. HOPE. You could not begin to administer it without the provisions contained in this section.

In section 409 there is a provision that the Secretary must make recommendations relative to the terms and conditions of contracts between processors and producers and between producers and laborers, and unless he has the authority contained in that section, there would be no way that he could function under these provisions.

The same thing applies to section 410 where the Secretary is required to make investigation for carrying out the purposes of the act. So that unless you want to make it absolutely impossible for this act to function, do not vote for the amendment offered by the gentleman from New York.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. OWENS. I would like to ask the gentleman what might be called a double question. Can you tell me any specific act which so provides without arrangements for going into court and can you tell me of any act prior to the so-called New Deal legislation that contains any such provision?

Mr. HOPE. I will say that just now I cannot give the gentleman details of these provisions but I am sure if he looks the matter up he will find the power exists in all regulatory agencies. In many cases it goes much further than this because it gives the subpoena power to a regulatory official.

Mr. OWENS. Would the subpoena power be through the procedure of the court?

Mr. HOPE. In some cases, yes. But where used in that way it gives more drastic power than is provided in this legislation.

Mr. OWENS. As a lawyer, I would not think so.

Mr. HOPE. I beg to disagree with the gentleman. I cannot agree with him.

Mr. Chairman, I urge that if you want this legislation to be operative and you want the Secretary of Agriculture to function in its administration, then vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. Buck].

The question was taken; and on a division (demanded by Mr. Buck) there were—ayes 16, noes 55.

So the amendment was rejected.

Mr. PETERSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: On page 23, line 2, strike out the period after the word "croppers" and insert a comma and the following: "Provided, That any honorably discharged veteran of World War II who is a citizen of the United States and who is a bona fide farmer at the time of the passage of this act shall be allowed to grow and market sugar or liquid sugar from sugar beets or sugarcane without reference to quota or allotment or any other limitation and as to production, such sugar production shall be deducted from the Cuban quota."

Mr. PETERSON. Mr. Chairman, the purpose of this amendment is to provide that World War II veterans who were honorably discharged, who are citizens of the United States, and who are bona fide farmers at the time this act takes effect, shall be allowed to raise sugar beets or sugarcane, for the purpose of producing sugar, without reference to quotas. The particular portion which they may raise may be deducted from the Cuban quotas.

In most of the bills dealing with agriculture, which have quota provisions, there are definite provisions of law protecting veterans for the preservation of their quotas when they return. There is no particular provision such as that in the sugar law. There are many instances in which veterans have prepared the land. They have not been able to build up a historical basis for a quota. Therefore, those who have been serving their country at times when they would have been able to build up a historical basis, have no assurance that they will have a quota. I recognize the situation that where you have benefit payments you must have quotas, although I have always felt and still feel that we should encourage new production, and that we should allow in this country production by our farmers without quotas. However, I realize if I made it wide open my amendment would have many objections, so I tried to limit it to World War II veterans. The men who were serving their country had no chance to build up a historical basis for quotas.

I think this is fair. It will increase certain domestic production by veterans who are bona fide farmers, veterans who are citizens, and this should be written into the bill.

In all seriousness, I hope the committee will vote this amendment into the bill.

In order that there may not be any fight between the beet areas and the cane areas, I have asked that it be deducted from the Cuban allotment.

There is a limitation, for instance, as to the number of veterans and limitation as to the acreage that can actually be produced. There is a physical limitation. We have to drain the land and we have to build dikes. The physical facts will make that limitation. Compared to the production in Cuba, it would be an infinitesimal amount. It is fair and just to these men who have had no opportunity to build up an historical basis.

I urge that you support this amendment.

The CHAIRMAN. The time of the gentleman from Florida [Mr. PETERSON] has expired.

Mr. BOGGS of Louisiana. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I realize fully the popular appeal that an amendment of this type has on its face. I am a veteran of World War II, and I am as anxious to extend every privilege and benefit to the men who fought for our country as any Member of this House. But I think this amendment should be analyzed a little.

In the first place, as I understand the amendment, it would establish quotas to so-called bona fide veteran farmers who were farmers at the time of the passage of this act. The argument is made that there is no historical basis for the veterans; therefore this amendment should be adopted. That to my way of thinking is absolutely meaningless, because, bear in mind, there are no existing quotas at this time insofar as anybody is concerned either in the cane areas or the beet sugar areas. Since quotas were suspended in the year 1941, I believe, anyone could enter the beet-sugar industry or cane-sugar farming.

As I understand the amendment it would apply only to those so-called bona fide farmers who were farming at the time the act was adopted. As I interpret the amendment, therefore, in the first place it has utterly no meaning because anyone who wants to enter the business today can enter it without any interference insofar as quotas are concerned. Hence any veteran who desires to can become a beet or sugar farmer. Therefore, the amendment is meaningless. Moreover, I think this type of amendment, much as I want to favor the veteran and even if it had any meaning, is a bad type of amendment, because it subjects the veteran to exploitation. What happens? What has happened in the past? Let us take the case of the surplus property. There is a good illustration. We wrote all sorts of provisions into the Surplus Property Act giving preference to veterans. Invariably someone goes around, gets his brother-in-law, his son-in-law, or his uncle, who is a veteran, puts him up as front man and as a veteran, sits him out in front, and then all kinds of conniving takes place. That is exactly what would happen in this instance if we adopted this amendment, and we would not be doing the veteran any favor whatsoever. In addition to that, innocent-sounding as the amendment is, it might, if it has any meaning, interfere vitally with the quota arrangements which have been worked out by the State Department and the Department of Agriculture with the Republic of Cuba. In doing that we would jeopardize the entire purpose for which this bill will be enacted. I sincerely hope, therefore, in the name of the veteran, because this amendment will not help the veteran, in order to maintain our commitments to countries

with which we have made agreements that we will vote down the amendment.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes.

Mr. HOPE. Mr. Chairman, after the excellent statement just made by the gentleman from Louisiana, I do not believe it is necessary to say much more on this amendment.

I agree with everything the gentleman from Louisiana has just said.

We all want to do all we can for the veterans, of course, but to my mind it is very doubtful as to whether you would be doing anything for the veterans under this amendment; and its adoption would certainly place in jeopardy the ultimate enactment of this legislation.

I want to call attention to the fact that under the language of the bill which we had before us there is this provision: That the Secretary in determining the proportionate share to a farmer shall insofar as practical protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, and sharecroppers. The same provision is contained in the present act. I have conferred with Mr. Marshall the administrator of the act, as to how he would interpret that language, and how he has been interpreting it, and he has assured me that in applying that language veterans will be given every consideration. He says that he feels bound under the language of the GI bill to give veterans a preference in making those allocations. The language of this bill, which I have just read, as applied either to veterans or to others is much more inclusive than the amendment offered by the gentleman from Florida, because his amendment includes only veterans who are farming now, but the language written in the bill applies to any farmer veteran any time during the life of the act.

Now, what the amendment offered by the gentleman from Florida would do would be to set up another quota. We have a quota each for the domestic beet producers, the mainland cane producers, Puerto Rico, Hawaii, and the Virgin Islands. This would set up another quota and in doing that it would throw out of balance all of the provisions of the bill with reference to quotas. In addition, I do not know how such a provision as this could be administered and I do not know how a veteran could dispose of his cane or his beets if he got a quota under the provisions of this amendment because the quotas provided in the bill are assigned to each factory district. These factory districts cannot market in interstate commerce any larger amount of sugar than the quota given. This means they cannot buy any more cane or beets than enough to fill their quota. So if there is a regular quota given to the factory district and that is assigned to the producers within that district, then I do not know where a veteran would go to sell his cane or beets if he were given an extra quota under this provision. While I am

just as sympathetic as anyone could possibly be toward any provision that will give veterans a preference under this act, I do not believe the amendment proposed by the gentleman from Florida would do it and, if adopted, it would, in my opinion, very seriously jeopardize the ultimate enactment of this legislation.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ROGERS of Florida. Mr. Chairman, I rise in support of the pending amendment and the bill.

Mr. Chairman, in my district we grow a lot of sugarcane. As a matter of fact, the sugar-producing area of the State of Florida, which produces approximately 100,000 tons of sugar per year, lies almost exclusively in the Sixth Congressional District of Florida. I am, therefore, very much interested in the sugar legislation.

The merits of this bill have been discussed quite fully and I am not going into that phase of it, but I do want to say to the membership of the House that this is one time that the producers, the departments of the Government and the various domestic sugar producers have gotten together. The Department of Agriculture and State Department are for it, the Interior Department is for it, and the Bureau of the Budget is in accord with it. The bill is not absolutely satisfactory in every particular, but it is certainly the best bill that can be brought to this floor at this time in order to take care of not only the consumers but the producers of sugar. When the industry gets together like it has in this instance, when there is absolute accord, and when the Committee on Agriculture, after having given full and complete study, brings to us this bill I am sure the House will adopt it.

Going back to the amendment proposed by the gentleman from Florida [Mr. PETERSON], with reference to exemption of veterans from the allotment of the quota system, may I say that this would not affect the sugar quota and would be infinitesimal. At the present time, as suggested by the distinguished gentleman from Louisiana, there is no quota. The veterans can come in right now, and they could come in for some time provided the President suspends the quota provisions of this bill, and they can raise sugarcane. When it comes to the time of allotment, at that time the veteran who has planted sugarcane can get his proper allotment.

This is not giving the veteran anything at all. It is just permitting him to work, it is permitting him, if he wants to, to engage in an agricultural industry by producing sugar.

Now, my friend says that we have given them every consideration. Well, we have, but this is not giving them anything except the right to work. As I stated previously on the floor of this House, about the only thing we have given the veterans so far is priorities. They never have gotten much. Very little have they obtained, and we are not asking anything but that they be permitted to farm. You know, there are a lot of veterans coming to Florida. This Everglades section land is as rich as the

valley of the Nile. We have hundreds of thousands of acres in the Everglades section of Florida and we could produce out there all the sugarcane for the production of sugar that the people of America could consume. But instead of that we have to allot more to Cuba because we are restricted in the production on the mainland of this country, including Louisiana and Florida.

Now, this will not affect our local growers. This amendment says this: If we get back to where we have to put on a quota, that this quota shall not come from out of producers on the mainland, but the quota shall be deducted from Cuba's quota, and, as you know, if there is any deficiency in any of the areas at the present time, Cuba gets 98 percent of it and we get nothing. As a matter of fact, as I see it, this amendment is a constructive amendment, and the veterans should be permitted to grow cane if they want to.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I expect to support this sugar legislation. The bill is not perfect and does not suit me in all its phases—but I shall vote for its passage. I say that because all indications point to the fact that the processors and the growers and the various departments have gotten together on a bill that to them is satisfactory; in other words, there is a compromise on sugar legislation.

My colleagues, you must remember that sugar is one of the commodities that has been regulated longer than any other food product in the United States. I think perhaps that accounts for this complicated bill and the imperfections in the bill. The amendment offered by the gentleman from Florida would further complicate the bill.

I do have some misgivings about the bill. If you examine it carefully you will find there is a certain allocation of beet sugar to the United States, that it permits 1,800,000 short tons of beet sugar. This is an increase of 100,000 short tons of sugar. At one time we had 1,700,000 short tons of beet sugar produced in the United States. I am fearful that the amount of increase permitted is not sufficient to take care of the growing population of the United States. It does not provide for the growing industrial use of sugar. Our population grows about two million a year. The bill provides controls for 5 years. In 5 years there will be another 10,000,000 people using sugar in the United States. Besides, the uses of sugar have increased. Now, what is the answer to that? I do not find it in this bill unless there is some way to increase the amount of land that can be brought under irrigation. I remember a former Secretary of Agriculture. He was Vice President at one time. He recently was made editor of a magazine. He went out into my country a few years ago when he was Secretary of Agriculture, and made the statement that sugar beets and sugarcane should not be raised in the United States; it was economically unsound. Well, they

hung that gentleman one evening in effigy. I can still see his effigy hanging on the end of a rope, and there was a very mad group of farmers around the likeness of Henry Wallace. I want to see our farmers produce all the sugar they can and with no useless restrictions.

Well, I contend that perhaps one fault in this bill is that we have not given enough attention to how much sugar we can produce at home. I see no way in this bill whereby you can bring new land under irrigation and sugar beet production.

I would like to ask the chairman of the committee, the gentleman from Kansas [Mr. HOPE], who has done an excellent job working on this bill, a question. How can new lands not heretofore in production of sugar beets be planted to that crop? Can that be done?

Mr. HOPE. Yes; after the entire quota which is allotted to domestic sugar-beet production is exhausted and new factory areas and new growers come into existence.

Mr. MILLER of Nebraska. Well, I hope they can, because they are bringing new land under irrigation all the time. As I said before, with the growing population in this country and the growing uses of sugar, we should not put shackles upon the domestic production of sugar. I think we ought to give them free rein. However, this is a compromise. The committee has worked hard upon it. It seems to me that the amendment offered by the gentleman from Florida, while we are in sympathy with what he would do for the veterans, would merely further complicate this bill. I would commend to my colleagues affirmative action on the bill without his amendment. There must be some sugar legislation, and as this bill has the approval of all interested parties, it should pass.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. In the event it develops that we do not produce enough sugar to take care of the needs here on account of increased population, two things can happen. Congress can amend the legislation or the Secretary and the President can suspend the quotas so that we can get additional sugar planted.

Mr. MILLER of Nebraska. The Secretary does have absolute power under this bill to make adjustments of that nature when they are needed.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Florida.

Mr. PETERSON. I am in accord with the gentleman's desire to increase production. All these years I have fought for increased production. This would be a very small increase. I thought we would let the veterans increase it some now. I would go all out if we could increase production generally.

Mr. MILLER. I appreciate the gentleman's position, but feel his amendment, not having the approval of the Agricultural Committee, should not prevail.

The bill should pass without amendments.

(Mr. MILLER of Nebraska asked and was given permission to revise and extend his remarks.)

Mr. BENDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have all been sugared up here on this bill. I think all of us know just about how we are going to vote. Will you not please let us vote so we can do something else?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. PETERSON].

The amendment was rejected.

MORE NEW DEAL LEGISLATION, BUREAUCRACY, AND REGIMENTATION

Mr. SCHWABE of Oklahoma. Mr. Chairman, I move to strike out the last word. Mr. Chairman, this is the so-called sugar bill and designated in the bill as the "Sugar Act of 1948." In the report of the committee, after likening the proposal to the Sugar Acts of 1934 and 1937, it is stated that, "the bill has as its primary objective the stabilization of the sugar producing, refining, and importing industries." Quotas are authorized to be established for producers, marketers and importers, and subsidies are authorized to be paid to those engaged in the production and refining of sugar, all of which ultimately must be paid by the consumer. The committee's report says that this is to be understood as only a temporary program to last for 5 years from January 1, 1948. But all of the essential provisions of this act have been in force since the passage of the early Sugar Acts of 1934 and 1937. It is extremely doubtful if the program will be abandoned within the near future.

Much of the language of the bill is intricate and involved. But the bill is filled with provisions giving the Secretary of Agriculture, who is the direct appointee of the President, absolute and dictatorial powers. It is true that the bill directs the Secretary of Agriculture to take into consideration, before issuing his edicts, certain factual circumstances and conditions, but, in the long run, it is left to the Secretary of Agriculture to determine what action he will take with reference to the production, importation, and refining of sugar in this country. Worse than that, the Secretary of Agriculture, in the last analysis, according to the provisions of this bill, can and will determine the price that the citizens of the country pay for the sugar they use, and that applies both to domestic and commercial users of sugar.

PLANNED ECONOMY

If the authors of this bill, whoever they may have been, had tried to write a new bill filled from start to finish with planned economy provisions, applicable to the production, refining and marketing of sugar, it is difficult to imagine how they could have done a more complete job.

The language resembles that which was customarily employed by the brain-trusters of the early New Deal days, and the conceptions and philosophies of the

New Dealers, and particularly of former Secretary of Agriculture, Mr. Henry Wallace, seem to have formed the basis of the theory and purposes of this bill. It does not read like an American congressional production.

It is said that Mr. Henry Wallace, early in the New Deal regime, advocated the idea that every farmer should be required to post on his front gatepost a Federal Government permit, stating the exact acreage and quantity of each and every crop he was permitted to produce, in order that his neighbors might know if he had exceeded his allocation or quantity. This is the same gentleman of whom ex-Senator Reed of Missouri said that he had required the farmers of this country to reduce their corn acreage by 20 percent and at the same time was trying to induce our corn growers to purchase from Mr. Wallace's corporation Wallace's hybrid seed corn at \$7.50 a bushel, guaranteed to increase the yield 20 percent. This is the same group that promulgated the corn-hog reduction program, killed the little pigs and cattle, on the ground that there was an overproduction, and in order to produce a scarcity, which would result in a higher price in agricultural products. This is the same thing that developed for us during the past 14 years the philosophy of scarcity, artificial fixation of prices, controlled economy, the OPA, and all of the patent medicines and nostrums of the New Deal, which have become so nauseating to the people of this country. This is the result of the same philosophy and thinking that would regulate our every action, would tell us how much we must pay for labor and how many hours labor shall work, the diet we shall consume and the clothing we shall wear and the housing of our people. It is the outgrowth of the same program that produced thousands upon thousands of bureaucratic and Executive orders, edicts, rules, regulations, and the regimentation of our people.

It is almost unbelievable that this Congress should want to follow in the tracks of such un-American programs of the New Deal reign of the past 14 years. Yet, I call your attention to certain provisions of H. R. 4075, the so-called sugar bill now under consideration. After reading section 203 and its involved language and lengthy clauses and sentences, I think most people would give up in dire confusion and say that there wasn't any question but what the language sounded like the language of some of the other New Deal legislation that has been foisted upon the American people. There are only two sentences in section 201 of the bill. The first sentence covers 9 lines of the printed bill, and the second sentence covers 29 lines. I submit that the language, not only in section 201, but in many other provisions of the bill, is entirely beyond the comprehension of almost anyone except a New Dealer to understand. I hope it was not designed to be confusing.

I would remind you of the old NRA days. You will remember that the first New Deal baby to be born was the National Recovery Act, commonly referred

to as the NRA. It was referred to by the New Dealers as involving a code of fair competition. That hideous blue eagle had to be displayed in order to avoid boycotts and reprisals. The President and the Administrator of NRA said that the codes were written by the leaders in industry. Of course they were, with the collaboration of the brain-trusters and for the protection and perpetuation of big business—the leaders in industry. It is not natural for the leaders in any industry to encourage newcomers and competitors. Hence, among other things, the code of fair competition, the rules and regulations promulgated pursuant to the National Recovery Act, provided that as long as the leaders in the industry determined that there was sufficient capacity to turn out the quantity of material deemed necessary for the consumption of a locality, a new business could not be started. It was necessary that the NRA group, which was dominated by the leaders in industry, should issue a permit of convenience and necessity before anyone could start up a new business, or enlarge his operations or plant.

A similar situation is provided in this sugar bill. It is honey-coated with the language that apparently is designed to mislead the consumers of sugar and we are told that an emergency exists, and it is necessary to pass this bill if we are to get any sugar. That is more New Deal language. The New Deal has thrived and progressed from the very beginning on emergencies and the emergency hysteria has so seized the public that they seem easily swayed by other cries of emergency. The Secretary of Agriculture, is given the power and authority to tell each farmer how much he can produce. In section 302 (a) of the bill, it is provided that the amount of sugar, with respect to which subsidy payments shall be made, shall be the amount commercially recoverable as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed—or processed by the producer—not in excess of the proportionate share for the farm, as determined by the Secretary.

In subsection (b), it is provided:

In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed.

In section 303 of the bill, there is a provision which reads:

With respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary.

Then to make certain that the control of the Secretary of Agriculture shall be as nearly czarlike as possible, and as dictatorial as it may be, provided in language, we find section 304 (b) providing as follows:

All payments shall be calculated with respect to a farm which, for the purposes of this act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into con-

sideration the use of common work stock, equipment, labor, management, and other pertinent factors.

Without any reflections upon the present Secretary of Agriculture, who is an especially fine gentleman and whom I very much admire personally, I must say that such power and authority vested in any one man is un-American. Thank God we had a Supreme Court that understood Americanism well enough to declare the NRA unconstitutional when it was brought before that Court for consideration. Why should we continue, promote, extend, implement, and personify the program of the New Dealers by the passage of such an act as this?

BLANK CHECKS

I call your attention to section 401, the first section of title IV, which reads:

For the purposes of this act, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this act, including personal services and rents in the District of Columbia and elsewhere.

In this same connection and under this same title IV, I call your attention to the dictatorial authorization contained in subsection (b) of section 402, which reads:

All funds available for carrying out this act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this act.

Then, in perfect New Deal style and apparently for fear that this lengthy bill might have omitted some authority and provision to strengthen the hand of the Secretary who had been given such dictatorial powers in the bill, we find section 403 (a), which reads:

The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this act, shall, upon conviction, be punished by a fine of not more than \$100 for each such violation.

It has not been long since we heard the popular clamor against fines being imposed for violations of Executive orders, edicts, and regulations. But here we have a provision authorizing the Secretary to promulgate any orders or regulations he may see fit to carry out the power vested in him by this act, and then going all out New Deal style and providing that if anyone shall violate any order or regulation of the Secretary, he may be fined \$100 for each violation. I thought the people of the United States spoke last November 5 and said they wanted no more of such stuff. That is abhorrent and shocking to the people of this country, and I do not believe they will appreciate further enactments along that line by Congress.

But the bill goes another step. In section 406, the Secretary is vested with all the powers of a legally authorized snooper. He can require any and all information he wants in connection with the manufacturing, marketing, or industrial use of sugar, and anyone who fails to furnish such information or furnishes

false information on the subject to the Secretary, is liable to a fine of \$1,000 for each violation. The snooping clause and power and authority vested in the Secretary is further emphasized in section 410 of the bill.

In section 410, it is provided:

The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this act and for the benefit of agriculture generally in any area.

Thus, it will be seen that the Secretary is really clothed with the authority of a czar not only in the sugar-producing areas, but as he may see fit and as he may deem "for the benefit of agriculture generally in any area."

It is not a question of whether or not Secretary Clinton Anderson will become a czar. Congress should not vest any individual, the President, or any of his appointees, with any such power. Congress should not abdicate its authority. As representatives of the people, we should not vest or attempt to vest such dictatorial powers in any man in this country.

There are many other provisions in the bill equally as un-American in principle as those to which I have just referred. It is sufficient to say that the Secretary has been given power and authority to allocate according to areas and down to the individual farms, and the authority to define the maximum amount of sugar beets and sugarcane that can be produced in this country. It is planned economy from start to finish. He is given a blank check to carry on his operations as dictatorial as he may see fit. He is given the authority to pass upon contracts between producers and buyers and between producers and their hired help, to penalize people who will not comply with regulations which he promulgates instead of laws being passed by Congress. He is even given the authority that can ultimately determine just how much sugar you and I can consume in this country. On page 6 of the printed report of the committee on this bill, it is stated:

The Secretary of Agriculture is authorized under section 201 to determine the requirements of consumers for each calendar year on the basis of the standards specified therein. In making his determinations the Secretary is directed to protect the welfare of consumers and of those engaged in the domestic sugar-producing industry by providing a quantity of sugar which will be consumed at prices fair to both consumers and the domestic sugar industry.

On page 8 of the committee's printed report, it is specifically stated that section 302 of the bill authorizes the Secretary to establish proportionate shares in each of the domestic areas in terms of each farm's fair share of the total quantity of sugar beets or sugarcane required to be processed to enable the producing area to meet the quota—and provide a normal carry-over inventory—for such area. The proportionate shares—acreage allotments—for farms are to be established on the basis of past production on the farm and ability to produce sugar beets or sugarcane thereon.

The committee handling this bill stated in the committee report on page 8:

It is the judgment of the committee that considerable discretion should be left to the Secretary to deal with the varied and changing conditions in the various production areas, in order to establish fair and equitable shares for farms in such areas.

Does not that sound like New Deal bureaucracy, from which we should be attempting to rid ourselves.

Mr. Chairman, under the circumstances, I think we should face the stern realities that beset us. It does not augur well for us to side-step the issue. If there is a crisis or emergency, and the present 1937 Sugar Act expires December 31, 1947, should we not fearlessly and boldly face the proposition of enacting legislation that is sound and American in principle? The truth of the matter is that the New Deal crowd threw overboard our tariff protections on home industries. This applied to sugar and they substituted subsidies, premiums and bonuses. Tariffs are paid by the consumer of the goods upon which tariffs are collected, while subsidies are paid out of the public Treasury by the taxpayers, regardless of whether or not they are consumers of such commodities. If it is wrong in principle to subsidize the sugar industry, by paying subsidies to the producers and the processors and marketers, we should face the issue and decline to do so. We should provide other sound procedures, procedures which are economically sound and are not just temporary make-shifts, such as the committee admits this bill is intended to be. In the meantime, most important of all, we should not vest in any man the dictatorial powers that this bill seeks to give the Secretary of Agriculture.

The bill is New Dealish in every respect. Hence, I cannot and will not vote for its passage.

(Mr. SCHWABE of Oklahoma asked and was given permission to revise and extend his remarks.)

Mr. CURTIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed out of order, and to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[Mr. CURTIS addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOPE. Mr. Chairman, I ask unanimous consent that I may revise and extend the remarks I made.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. There are no further amendments at the desk and, under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CUNNINGHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4075, pursuant to House

Resolution 273, he reported the same back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. FLANNAGAN. Mr. Speaker, I offer a motion to recommit which is at the desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FLANNAGAN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FLANNAGAN moves to recommit the bill to the House Committee on Agriculture with instructions to report the bill back forthwith continuing the Sugar Act of 1937 for 1 year and providing for reallocation of any of the 1948 deficit in Philippine continental beet- and cane-sugar quotas in accordance with the provisions of H. R. 4075.

Mr. HOPE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. FLANNAGAN) there were—ayes 47, noes 101.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. FLANNAGAN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The question was taken, and the bill was passed.

A motion to reconsider was laid on the table.

PERMISSION TO COMMITTEE ON DISTRICT OF COLUMBIA TO FILE REPORTS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file sundry reports.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEGISLATIVE APPROPRIATION BILL, 1948, SENT TO CONFERENCE

Mr. JOHNSON of Indiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes, with sundry amendments thereto, disagree to the amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. JOHNSON of Indiana, TIBBOTT, CANFIELD, GRIFFITHS, CANNON, KIRWAN, and ANDREWS of Alabama.

SPECIAL ORDER GRANTED

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following the disposition of the legislative business of the day and any other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO SUBCOMMITTEE ON ELECTIONS TO SIT DURING SESSIONS OF HOUSE

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may on Monday and Tuesday next sit during general debate during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mrs. BOLTON (at the request of Mr. HALLECK) was given permission to extend her remarks in the Appendix of the RECORD and include an editorial.

Mr. ARENDS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. POAGE asked and was given permission to extend his own remarks in the Appendix of the RECORD and include a proclamation of the Governor of Texas.

Mr. PATMAN asked and was given permission to extend his own remarks in the Appendix of the RECORD in three separate instances and include certain statements and excerpts.

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article written by Robert L. Norton appearing in the Boston Post.

Mr. PRICE of Florida asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement.

Mr. DURHAM asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. HORAN asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and include editorials in each.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix and include excerpts from the Great Globe itself.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD

80TH CONGRESS
1ST SESSION

H. R. 4075

IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, JULY 10), 1947

Read twice and referred to the Committee on Finance

AN ACT

To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Sugar Act of 1948".

4 TITLE I—DEFINITIONS

5 SEC. 101. For the purposes of this Act, except title V—

6 (a) The term "person" means an individual, partner-
7 ship, corporation, or association.

1 (b) The term "sugars" means any grade or type of
2 saccharine product derived from sugarcane or sugar beets,
3 which contains sucrose, dextrose, or levulose.

4 (c) The term "sugar" means raw sugar or direct-con-
5 sumption sugar.

6 (d) The term "raw sugar" means any sugars which are
7 principally of crystalline structure and which are to be fur-
8 ther refined or improved in quality, and any sugars which
9 are principally not of crystalline structure, but which are to
10 be further refined or otherwise improved in quality to pro-
11 duce any sugars principally of crystalline structure.

12 (e) The term "direct-consumption sugar" means any
13 sugars which are principally of crystalline structure and
14 which are not to be further refined or otherwise improved
15 in quality.

16 (f) The term "liquid sugar" means any sugars (ex-
17 clusive of sirup of cane juice produced from sugarcane grown
18 in continental United States) which are principally not of
19 crystalline structure and which contain, or which are to
20 be used for the production of any sugars principally not
21 of crystalline structure which contain, soluble nonsugar solids
22 (excluding any foreign substances that may have been
23 added or developed in the product) equal to 6 per centum
24 or less of the total soluble solids.

1 (g) Sugars in dry amorphous form shall be considered
2 to be principally of crystalline structure.

3 (h) The "raw value" of any quantity of sugars means
4 its equivalent in terms of ordinary commercial raw sugar
5 testing ninety-six sugar degrees by the polariscope, deter-
6 mined in accordance with regulations to be issued by the
7 Secretary. The principal grades and types of sugar and
8 liquid sugar shall be translated into terms of raw value in
9 the following manner:

10 (1) For direct-consumption sugar, derived from sugar
11 beets and testing ninety-two or more sugar degrees by the
12 polariscope, by multiplying the number of pounds thereof
13 by 1.07;

14 (2) For sugar, derived from sugarcane and testing
15 ninety-two sugar degrees by the polariscope, by multiplying
16 the number of pounds thereof by 0.93;

17 (3) For sugar, derived from sugarcane and testing
18 more than ninety-two sugar degrees by the polariscope, by
19 multiplying the number of pounds thereof by the figure
20 obtained by adding to 0.93 the result of multiplying 0.0175
21 by the number of degrees and fractions of a degree of polar-
22 ization above ninety-two degrees;

23 (4) For sugar and liquid sugar, testing less than ninety-
24 two sugar degrees by the polariscope, by dividing the num-
25 ber of pounds of the "total sugar content" thereof by 0.972.

1 (5) The Secretary may establish rates for translating
2 sugar and liquid sugar into terms of raw value for (a) any
3 grade or type of sugar or liquid sugar not provided for in
4 the foregoing and (b) any special grade or type of sugar
5 or liquid sugar for which he determines that the raw value
6 cannot be measured adequately under the provisions of para-
7 graphs (1) to (4), inclusive, of this subsection (h).

8 (i) The term "total sugar content" means the sum of
9 the sucrose (Clerget) and reducing or invert sugars con-
10 tained in any grade or type of sugar or liquid sugar.

11 (j) The term "quota", depending upon the context,
12 means (1) that quantity of sugar or liquid sugar which may
13 be brought or imported into the continental United States,
14 for consumption therein, during any calendar year, from the
15 Territory of Hawaii, Puerto Rico, the Virgin Islands, or a
16 foreign country or group of foreign countries; (2) that
17 quantity of sugar or liquid sugar produced from sugar beets
18 or sugarcane grown in the continental United States which,
19 during any calendar year, may be shipped, transported, or
20 marketed in interstate commerce, or in competition with
21 sugar or liquid sugar shipped, transported, or marketed in
22 interstate or foreign commerce; or (3) that quantity of
23 sugar or liquid sugar which may be marketed in the Territory
24 of Hawaii or in Puerto Rico, for consumption therein, during
25 any calendar year.

1 (k) The term “producer” means a person who is the
2 legal owner, at the time of harvest or abandonment, of a por-
3 tion or all of a crop of sugar beets or sugarcane grown on a
4 farm for the extraction of sugar or liquid sugar.

5 (l) The terms “including” and “include” shall not
6 be deemed to exclude anything not mentioned but otherwise
7 within the meaning of the term defined.

8 (m) The term “Secretary” means the Secretary of
9 Agriculture.

10 TITLE II—QUOTA PROVISIONS

11 SEC. 201. The Secretary shall determine for each
12 calendar year, beginning with the calendar year 1948, the
13 amount of sugar needed to meet the requirements of con-
14 sumers in the continental United States; such determina-
15 tions shall be made during the month of December in each
16 year for the succeeding calendar year (in the case of the
17 calendar year 1948, during the first ten days thereof) and
18 at such other times during such calendar year as the Secre-
19 tary may deem necessary to meet such requirements. In
20 making such determinations the Secretary shall use as a
21 basis the quantity of direct-consumption sugar distributed
22 for consumption, as indicated by official statistics of the
23 Department of Agriculture, during the twelve-month period
24 ending October 31 next preceding the calendar year for
25 which the determination is being made, and shall make

1 allowances for a deficiency or surplus in inventories of
2 sugar, and for changes in consumption because of changes
3 in population and demand conditions, as computed from
4 statistics published by agencies of the Federal Government;
5 and, in order that such determinations shall be made so as
6 to protect the welfare of consumers and of those engaged
7 in the domestic sugar industry by providing such supply of
8 sugar as will be consumed at prices which will not be ex-
9 cessive to consumers and which will fairly and equitably
10 maintain and protect the welfare of the domestic sugar in-
11 dustry, the Secretary, in making any such determination,
12 in addition to the consumption, inventory, population, and
13 demand factors above specified and the level and trend of
14 consumer purchasing power, shall take into consideration
15 the relationship between the prices at wholesale for refined
16 sugar that would result from such determination and the
17 general cost of living in the United States as compared with
18 the relationship between prices at wholesale for refined
19 sugar and the general cost of living in the United States
20 obtaining during 1947 prior to the termination of price
21 control of sugar as indicated by the Consumers' Price Index
22 as published by the Bureau of Labor Statistics of the De-
23 partment of Labor.

24 SEC. 202. Whenever a determination is made, pursuant
25 to section 201, of the amount of sugar needed to meet the

requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas, by apportioning among such areas 4,268,000 short tons, raw value, as follows:

Area	Short tons, raw value
Domestic beet sugar-----	1,800,000
Mainland cane sugar-----	500,000
Hawaii-----	1,052,000
Puerto Rico-----	910,000
Virgin Islands -----	6,000

(b) For the Republic of the Philippines, in the amount of nine hundred and fifty-two thousand short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

(c) For foreign countries other than the Republic of the Philippines, by prorating among such areas an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

Area	Per centum
Cuba-----	98.64
Foreign countries other than Cuba and the Republic of the Philippines-----	1.36

The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, Number 1, issued December 12, 1936, pursuant to the Agricultural Adjustment Act, as amended.

1 (d) Notwithstanding the other provisions of this title
2 II, in the event the quota established for Cuba, including any
3 and all deficits allotted or prorated to Cuba pursuant to the
4 provisions of section 204 (a), shall be a smaller proportion
5 of the total amount of sugar which the Secretary determines
6 is needed to meet the requirements of consumers in the
7 continental United States pursuant to section 201 of this Act,
8 than the quota which would have been established for Cuba
9 upon such consumptive estimate under the provisions of
10 section 202 (b) of the Sugar Act of 1937, the quotas for
11 domestic sugar-producing areas established pursuant to the
12 other provisions of this title II shall be reduced pro rata
13 by such amounts as are required to establish such quota for
14 Cuba and the amounts by which such domestic sugar-pro-
15 ducing quotas are so reduced shall be added to the quota
16 for Cuba.

17 (e) If the Secretary of State finds that any foreign
18 country denies fair and equitable treatment to the nationals
19 of the United States, its commerce, navigation, or industry,
20 and so notifies the Secretary, the Secretary shall have au-
21 thority to withhold or withdraw any increase in the share
22 of the domestic consumption requirements provided for
23 such country by this Act as compared with the share
24 allowed under section 202 (b) of the Sugar Act of 1937:
25 *Provided*, That any amount of sugar so withheld or with-

1 drawn shall be prorated to domestic areas on the basis of
2 existing quotas for such areas and the Secretary shall revise
3 such quotas accordingly: *Provided further*, That any portion
4 of such amount of sugar which cannot be supplied by
5 domestic areas may be prorated to foreign countries other
6 than a country which the Secretary of State finds has denied
7 fair and equitable treatment to nationals of the United States.

8 SEC. 203. In accordance with such provisions of section
9 201 as he deems applicable, the Secretary shall also deter-
10 mine the amount of sugar needed to meet the requirements
11 of consumers in the Territory of Hawaii, and in Puerto Rico,
12 and shall establish quotas for the amounts of sugar which
13 may be marketed for local consumption in such areas equal
14 to the amounts determined to be needed to meet the require-
15 ments of consumers therein.

16 SEC. 204. (a) The Secretary shall, from time to time
17 during the calendar year, determine whether, in view of the
18 current inventories of sugar, the estimated production from
19 the acreage of sugarcane or sugar beets planted, the normal
20 marketings within a calendar year of new-crop sugar, and
21 other pertinent factors, any domestic area, the Republic of
22 the Philippines, or Cuba, will be unable to market the quota
23 for such area. If the Secretary finds that any domestic area
24 or Cuba will be unable to market the quota for such area for

1 the calendar year then current, he shall revise the quotas for
 2 the domestic areas and Cuba by prorating an amount of sugar
 3 equal to the deficit so determined to the other such areas on
 4 the basis of the quotas then in effect: *Provided, however,*
 5 That domestic areas shall not share in any deficit of any do-
 6 mestic area if the then outstanding determination of the Sec-
 7 retary made pursuant to section 201 of the Act is less than
 8 seven million short tons, raw value. If the Secretary finds
 9 that the Republic of the Philippines will be unable to market
 10 the quota for such area for the calendar year then current, he
 11 shall revise the quotas for Cuba and foreign countries other
 12 than Cuba and the Republic of the Philippines by prorating
 13 an amount of sugar equal to the deficit so determined, as
 14 follows:

To Cuba.....	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	5 per centum

15 *Provided, however,* That whenever the quota for Cuba estab-
 16 lished under the provisions of this Act other than section
 17 202 (d) is less than the amount required by the provisions
 18 of section 202 (d) of this Act, such prorations shall be as
 19 follows:

To Cuba	98.64 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	1.36 per centum

20 Any portion of such Philippine deficit which the Secretary
 21 determines cannot be supplied by Cuba shall be prorated to

1 foreign countries other than Cuba and the Republic of the
2 Philippines. No part of any Philippine deficit so prorated
3 may be filled by direct-consumption sugar.

4 (b) If, on the 1st day of September in any calendar
5 year, any part or all of the proration to any foreign country
6 of the quota for foreign countries other than Cuba and the
7 Republic of the Philippines established under the provisions
8 of section 202 (c) has not been filled, the Secretary may
9 revise the proration of such quota among such foreign coun-
10 tries by allotting an amount of sugar equal to such unfilled
11 proration to such foreign countries as have filled their
12 prorations of such quota by such date.

13 (c) The quota for any domestic area, the Republic of
14 the Philippines, Cuba, or other foreign countries as estab-
15 lished under the provisions of section 202 shall not be reduced
16 by reason of any determination of a deficit existing in any
17 calendar year under the provisions of subsections (a) and
18 (b) of this section 204.

19 (d) Any proration among foreign countries other than
20 Cuba and the Republic of the Philippines pursuant to this
21 section shall be on such basis as the Secretary shall determine.

22 SEC. 205. (a) Whenever the Secretary finds that the
23 allotment of any quota, or proration thereof, established for
24 any area pursuant to the provisions of this Act, is necessary
25 to assure an orderly and adequate flow of sugar or liquid

1 sugar in the channels of interstate or foreign commerce, or
2 to prevent disorderly marketing or importation of sugar or
3 liquid sugar, or to maintain a continuous and stable supply
4 of sugar or liquid sugar, or to afford all interested persons
5 an equitable opportunity to market sugar or liquid sugar
6 within any area's quota, after such hearing and upon such
7 notice as he may by regulations prescribe, he shall make al-
8 lotments of such quota or proration thereof by allotting to
9 persons who market or import sugar or liquid sugar, for
10 such periods as he may designate, the quantities of sugar
11 or liquid sugar which each such person may market in
12 continental United States, the Territory of Hawaii, or Puerto
13 Rico, or may import or bring into continental United States,
14 for consumption therein. Allotments shall be made in such
15 manner and in such amounts as to provide a fair, efficient,
16 and equitable distribution of such quota or proration thereof,
17 by taking into consideration the processings of sugar or
18 liquid sugar from sugar beets or sugarcane to which propor-
19 tionate shares, determined pursuant to the provisions of
20 subsection (b) of section 302, pertained; the past market-
21 ings or importations of each such person; and the ability
22 of such person to market or import that portion of such
23 quota or proration thereof allotted to him. The Secretary
24 may also, upon such hearing and notice as he may by

1 regulations prescribe, revise or amend any such allotment
2 upon the same basis as the initial allotment was made.

3 (b) An appeal may be taken, in the manner here-
4 inafter provided from any decision making such allotments,
5 or revisions thereof, to the United States Court of Appeals
6 for the District of Columbia in any of the following cases:

7 (1) By any applicant for an allotment whose applica-
8 tion shall have been denied.

9 (2) By any person aggrieved by reason of any decision
10 of the Secretary granting or revising any allotment made
11 to him.

12 (c) Such appeal shall be taken by filing with said court,
13 within twenty days after the decision complained of is effec-
14 tive, notice in writing of said appeal and a statement of the
15 reasons therefor, together with proof of service of a true copy
16 of said notice and statement upon the Secretary. Unless a
17 later date is specified by the Secretary as part of his decision,
18 the decision complained of shall be considered to be effective
19 as of the date on which public announcement of the decision
20 is made at the office of the Secretary in the city of Washing-
21 ton. The Secretary shall thereupon, and in any event not
22 later than ten days from the date of such service upon him,
23 mail or otherwise deliver a copy of said notice of appeal to
24 each person shown by the records of the Secretary to be

1 interested in such appeal and to have a right to intervene
2 therein under the provisions of this section, and shall at all
3 times thereafter permit any such person to inspect and make
4 copies of appellants' reasons for said appeal at the office of
5 the Secretary in the city of Washington. Within thirty days
6 after the filing of said appeal the Secretary shall file with the
7 court the originals or certified copies of all papers and evi-
8 dence presented to him upon the hearing involved, a like
9 copy of his decision thereon, a full statement in writing of
10 the facts and grounds for his decisions as found and given
11 by him and a list of all interested persons to whom he has
12 mailed or otherwise delivered a copy of said notice of appeal.

13 (d) Within thirty days after the filing of said appeal
14 any interested person may intervene and participate in the
15 proceedings had upon said appeal by filing with the court a
16 notice of intention to intervene and a verified statement
17 showing the nature of the interest of such party together
18 with proof of service of true copies of said notice and state-
19 ment, both upon the appellant and upon the Secretary. Any
20 person who would be aggrieved or whose interests would
21 be adversely affected by reversal or modification of the de-
22 cision of the Secretary complained of shall be considered an
23 interested party.

24 (e) At the earliest convenient time the court shall
25 hear and determine the appeal upon the record before it,

1 and shall have power, upon such record, to enter a judgment
2 affirming or reversing the decision, and if it enters an order
3 reversing the decision of the Secretary it shall remand the
4 case to the Secretary to carry out the judgment of the
5 court: *Provided, however,* That the review by the court
6 shall be limited to questions of law and that findings of fact
7 by the Secretary, if supported by substantial evidence, shall
8 be conclusive unless it shall clearly appear that the findings
9 of the Secretary are arbitrary or capricious. The court's
10 judgment shall be final, subject, however, to review by the
11 Supreme Court of the United States, upon writ of certiorari
12 on petition therefor, under section 240 of the Judicial Code,
13 as amended (U. S. C., title 28, sec. 347), by appellant,
14 by the Secretary, or by any interested party intervening in
15 the appeal.

16 (f) The court may, in its discretion, enter judgment
17 for costs in favor of or against an appellant, and other
18 interested parties intervening in said appeal, but not against
19 the Secretary, depending upon the nature of the issues in-
20 volved in such appeal and the outcome thereof.

21 SEC. 206. Subject to the provisions of sections 207 and
22 408 relating to the suspension of quotas, sugar quotas shall
23 be established pursuant to this Act for the calendar year 1948
24 within ten days after effective date of this Act.

25 SEC. 207. (a) Not more than twenty-nine thousand

1 six hundred and sixteen short tons, raw value, of the quota
2 for Hawaii for any calendar year may be filled by direct-
3 consumption sugar.

4 (b) Not more than one hundred and twenty-six thou-
5 sand and thirty-three short tons, raw value, of the quota for
6 Puerto Rico for any calendar year may be filled by direct-
7 consumption sugar.

8 (c) None of the quota for the Virgin Islands for any
9 calendar year may be filled by direct-consumption sugar.

10 (d) Not more than fifty-six thousand short tons of sugar
11 of the quota for the Republic of the Philippines for any
12 calendar year may be filled by direct-consumption sugar
13 as specified in section 211 of the Philippine Trade Act of
14 1946.

15 (e) Not more than three hundred and seventy-five
16 thousand short tons, raw value, of the quota for Cuba for
17 any calendar year may be filled by direct-consumption sugar.

18 (f) This section shall not apply with respect to the
19 quotas established under section 203 for marketing for local
20 consumption in Hawaii and Puerto Rico.

21 (g) The direct-consumption portions of the quotas
22 established pursuant to this section, and the enforcement
23 provisions of title II applicable thereto, shall continue in
24 effect and shall not be subject to suspension pursuant to the
25 provisions of section 408 of this Act unless the President

1 acting thereunder specifically finds and proclaims that a
 2 national economic or other emergency exists with respect
 3 to sugar or liquid sugar which requires the suspension of
 4 direct-consumption portions of the quotas.

5 SEC. 208. Quotas for liquid sugar for foreign countries
 6 for each calendar year are hereby established as follows:

Country	In terms of wine gallons of 72% total sugar content
Cuba -----	7,970,558
Dominican Republic -----	830,894
Other foreign countries-----	0

7 SEC. 209. All persons are hereby prohibited—

8 (a) From bringing or importing into the continental
 9 United States from the Territory of Hawaii, Puerto Rico,
 10 the Virgin Islands, or foreign countries, (1) any sugar or
 11 liquid sugar after the applicable quota, or the proration of
 12 any such quota, has been filled, or (2) any direct-con-
 13 sumption sugar after the direct-consumption portion of any
 14 such quota has been filled;

15 (b) From shipping, transporting, or marketing in in-
 16 terstate commerce, or in competition with sugar or liquid
 17 sugar shipped, transported, or marketed in interstate or
 18 foreign commerce, any sugar or liquid sugar produced from
 19 sugar beets or sugarcane grown in either the domestic-beet-
 20 sugar area or the mainland cane-sugar area after the quota
 21 for such area has been filled;

22 (c) From marketing in either the Territory of Hawaii

1 or Puerto Rico, for consumption therein, any sugar or liquid
2 sugar after the quota therefor has been filled;

3 (d) From exceeding allotments of any quota, direct-
4 consumption portion of any quota, or proration of any
5 quota, made to them pursuant to the provisions of this Act.

6 SEC. 210. (a) The determinations provided for in sec-
7 tions 201 and 203, and all quotas, prorations, and allot-
8 ments, except quotas established pursuant to the provisions
9 of section 208, shall be made or established in terms of raw
10 value.

11 (b) For the purposes of this title, liquid sugar, except
12 that imported from foreign countries, shall be included with
13 sugar in making the determinations provided for in sec-
14 tions 201 and 203 and in the establishment or revision of
15 quotas, prorations, and allotments.

16 SEC. 211. (a) The raw-value equivalent of any sugar
17 or liquid sugar in any form, including sugar or liquid sugar
18 in manufactured products, exported from the continental
19 United States under the provisions of section 313 of the
20 Tariff Act of 1930 shall be credited against any charges
21 which shall have been made in respect to the applicable
22 quota or proration for the country of origin. The country
23 of origin of sugar or liquid sugar in respect to which any
24 credit shall be established shall be that country in respect
25 to importation from which draw-back of the exported sugar

1 or liquid sugar has been claimed. Sugar or liquid sugar
2 entered into the continental United States under an appli-
3 cable bond established pursuant to orders or regulations
4 issued by the Secretary, for the express purpose of subse-
5 quently exporting the equivalent quantity of sugar or liquid
6 sugar as such, or in manufactured articles, shall not be
7 charged against the applicable quota or proration for the
8 country of origin.

9 (b) Exportation within the meaning of sections 309
10 and 313 of the Tariff Act of 1930 shall be considered to be
11 exportation within the meaning of this section.

12 (c) The quota established for any domestic sugar-
13 producing area may be filled only with sugar or liquid sugar
14 produced from sugar beets or sugarcane grown in such area:
15 *Provided, however,* That any sugar or liquid sugar admitted
16 free of duty from the Virgin Islands under the Act of Con-
17 gress, approved March 3, 1917 (39 Stat. 1133), may be
18 admitted within the quota for the Virgin Islands.

19 SEC. 212. The provisions of this title shall not apply to
20 (1) the first ten short tons, raw value, of sugar or liquid
21 sugar imported from any foreign country, other than Cuba
22 and the Republic of the Philippines, in any calendar year;
23 (2) the first ten short tons, raw value, of sugar or liquid
24 sugar imported from any foreign country, other than Cuba
25 and the Republic of the Philippines, in any calendar year

1 for religious, sacramental, educational, or experimental pur-
2 poses; (3) liquid sugar imported from any foreign coun-
3 try, other than Cuba and the Republic of the Philippines,
4 in individual sealed containers of such capacity as the Secre-
5 tary may determine, not in excess of one and one-tenth
6 gallons each; or (4) any sugar or liquid sugar imported,
7 brought into, or produced or manufactured in the United
8 States for the distillation of alcohol, or for livestock feed,
9 or for the production of livestock feed.

10 TITLE III—CONDITIONAL-PAYMENT

11 PROVISIONS

12 SEC. 301. The Secretary is authorized to make pay-
13 ments on the following conditions with respect to sugar or
14 liquid sugar commercially recoverable from the sugar beets
15 or sugarcane grown on a farm for the extraction of sugar
16 or liquid sugar:

17 (a) That no child under the age of fourteen years shall
18 have been employed or permitted to work on the farm,
19 whether for gain to such child or any other person, in the
20 production, cultivation, or harvesting of a crop of sugar
21 beets or sugarcane with respect to which application for
22 payment is made, except a member of the immediate family
23 of a person who was the legal owner of not less than 40
24 per centum of the crop at the time such work was per-
25 formed; and that no child between the ages of fourteen and

1 sixteen years shall have been employed or permitted to do
2 such work, whether for gain to such child or any other per-
3 son, for a longer period than eight hours in any one day,
4 except a member of the immediate family of a person who
5 was the legal owner of not less than 40 per centum of the
6 crop at the time such work was performed. The Secretary
7 is authorized to make payments, notwithstanding a failure
8 to comply with the conditions provided in this subsection,
9 but the payments made with respect to any crop shall be
10 subject to a deduction of \$10 for each child for each day,
11 or a portion of a day, during which such child was employed
12 or permitted to work contrary to the foregoing provisions
13 of this subsection.

14 (b) That there shall not have been marketed (or
15 processed) an amount (in terms of planted acreage, weight,
16 or recoverable sugar content) of sugar beets or sugarcane
17 grown on the farm and used for the production of sugar or
18 liquid sugar to be marketed in, or so as to compete with or
19 otherwise directly affect interstate or foreign commerce, in
20 excess of the proportionate share for the farm, as determined
21 by the Secretary pursuant to the provisions of section 302,
22 of the total quantity of sugar beets or sugarcane required to
23 be processed to enable the area in which such sugar beets
24 or sugarcane are produced to meet the quota (and provide a
25 normal carry-over inventory) as estimated by the Secretary

1 for such area for the calendar year during which the larger
2 part of the sugar or liquid sugar from such crop normally
3 would be marketed.

4 (c) (1) That all persons employed on the farm in the
5 production, cultivation, or harvesting of sugar beets or
6 sugarcane with respect to which an application for payment
7 is made shall have been paid in full for all such work, and
8 shall have been paid wages therefor at rates not less than
9 those that may be determined by the Secretary to be fair and
10 reasonable after investigation and due notice and opportunity
11 for public hearing; and in making such determinations the
12 Secretary shall take into consideration the standards therefor
13 formerly established by him under the Agricultural Adjust-
14 ment Act, as amended, and the differences in conditions
15 among various producing areas: *Provided, however, That*
16 a payment which would be payable except for the foregoing
17 provisions of this subparagraph may be made, as the Secre-
18 tary may determine, in such manner that the laborer will
19 receive an amount, insofar as such payment will suffice,
20 equal to the amount of the accrued unpaid wages for such
21 work, and that the producer will receive the remainder, if
22 any, of such payment.

23 (2) That the producer on the farm who is also, directly
24 or indirectly a processor of sugar beets or sugarcane, as may
25 be determined by the Secretary shall have paid, or con-

1 tracted to pay under either purchase or toll agreements,
2 for any sugar beets or sugarcane grown by other producers
3 and processed by him at rates not less than those that may
4 be determined by the Secretary to be fair and reasonable
5 after investigation and due notice and opportunity for public
6 hearing.

7 SEC. 302. (a) The amount of sugar or liquid sugar
8 with respect to which payment may be made shall be the
9 amount of sugar or liquid sugar commercially recoverable,
10 as determined by the Secretary, from the sugar beets or
11 sugarcane grown on the farm and marketed (or processed by
12 the producer) not in excess of the proportionate share for the
13 farm, as determined by the Secretary, of the quantity of
14 sugar beets or sugarcane for the extraction of sugar or liquid
15 sugar required to be processed to enable the producing area
16 in which the crop of sugar beets or sugarcane is grown to
17 meet the quota (and provide a normal carry-over inventory)
18 estimated by the Secretary for such area for the calendar year
19 during which the larger part of the sugar or liquid sugar from
20 such crop normally would be marketed.

21 (b) In determining the proportionate shares with re-
22 spect to a farm, the Secretary may take into consideration
23 the past production on the farm of sugar beets and sugarcane
24 marketed (or processed) for the extraction of sugar or liquid
25 sugar and the ability to produce such sugar beets or sugar-

1 cane, and the Secretary shall, insofar as practicable, protect
2 the interests of new producers and small producers and the
3 interests of producers who are cash tenants, share tenants,
4 adherent planters, or share croppers.

5 (c) Payments shall be effective with respect to sugar
6 or liquid sugar commercially recoverable from sugar beets
7 and sugarcane grown on a farm commencing with the crop
8 year 1948.

9 SEC. 303. In addition to the amount of sugar or liquid
10 sugar with respect to which payments are authorized under
11 subsection (a) of section 302, the Secretary is also author-
12 ized to make payments, on the conditions provided in section
13 301, with respect to bona fide abandonment of planted acre-
14 age and crop deficiencies of harvested acreage, resulting from
15 drought, flood, storm, freeze, disease, or insects, which cause
16 such damage to all or a substantial part of the crop of sugar
17 beets or sugarcane in the same factory district (as established
18 by the Secretary), county, parish, municipality, or local pro-
19 ducing area, as determined in accordance with regulations
20 issued by the Secretary, on the following quantities of sugar
21 or liquid sugar: (1) With respect to such bona fide abandon-
22 ment of each planted acre of sugar beets or sugarcane, one-
23 third of the normal yield of commercially recoverable sugar
24 or liquid sugar per acre for the farm, as determined by the
25 Secretary; and (2) with respect to such crop deficiencies of

1 harvested acreage of sugar beets or sugarcane, the excess of
 2 80 per centum of the normal yield of commercially recover-
 3 able sugar or liquid sugar for such acreage for the farm, as
 4 determined by the Secretary, over the actual yield.

5 SEC. 304. (a) The amount of the base rate of payment
 6 shall be 80 cents per hundred pounds of sugar or liquid
 7 sugar, raw value.

8 (b) All payments shall be calculated with respect to
 9 a farm which, for the purposes of this Act, shall be a farm-
 10 ing unit as determined in accordance with regulations issued
 11 by the Secretary, and in making such determinations, the
 12 Secretary shall take into consideration the use of common
 13 work stock, equipment, labor, management, and other per-
 14 tinent factors.

15 (c) The total payment with respect to a farm shall be
 16 the product of the base rate specified in subsection (a) of
 17 this section multiplied by the amount of sugar and liquid
 18 sugar, raw value, with respect to which payment is to be
 19 made, except that reduction shall be made from such total
 20 payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following in- tervals of short tons, raw value	Reduction in the base rate of payment per hundred- weight of such portion
350 to 700_____	\$0.05
700 to 1,000_____	.10
1,000 to 1,500_____	.20
1,500 to 3,000_____	.25
3,000 to 6,000_____	.275
6,000 to 12,000_____	.30
12,000 to 30,000_____	.325
More than 30,000_____	.50

1 (d) Application for payment shall be made by, and
2 payments shall be made to, the producer or, in the event
3 of his death, disappearance, or incompetency, his legal
4 representative, or heirs: *Provided, however,* That all pro-
5 ducers on the farm shall signify in the application for pay-
6 ment the percentage of the total payment with respect to
7 the farm to be made to each producer: *And provided further,*
8 That payments may be made, (1) in the event of the
9 death, disappearance, or incompetency of a producer, to
10 such beneficiary as the producer may designate in the
11 application for payment; (2) to one producer of a group of
12 two or more producers, provided all producers on the farm
13 designate such producer in the application for payment as
14 sole recipient for their benefit of the payment with respect
15 to the farm; or (3) to a person who is not a producer, pro-
16 vided such person controls the land included within the
17 farm with respect to which the application for payment is
18 made and is designated by the sole producer (or all pro-
19 ducers) on the farm, as sole recipient for his or their benefit,
20 of the payment with respect to the farm.

21 SEC. 305. In carrying out the provisions of titles II
22 and III of this Act, the Secretary is authorized to utilize
23 local committees of sugar beet or sugarcane producers, State
24 and county agricultural conservation committees, or the
25 Agricultural Extension Service and other agencies, and the

1 Secretary may prescribe that all or a part of the expenses of
2 such committees may be deducted from the payments herein
3 authorized.

4 SEC. 306. The facts constituting the basis for any pay-
5 ment, or the amount thereof authorized to be made under
6 this title, officially determined in conformity with rules or
7 regulations prescribed by the Secretary, shall be reviewable
8 only by the Secretary, and his determinations with respect
9 thereto shall be final and conclusive.

10 SEC. 307. This title shall apply to the continental United
11 States, the Territory of Hawaii, Puerto Rico, and the
12 Virgin Islands.

13 TITLE IV—GENERAL PROVISIONS

14 SEC. 401. For the purposes of this Act, the Secretary
15 may make such expenditures as he deems necessary to carry
16 out the provisions of this Act, including personal services
17 and rents in the District of Columbia and elsewhere.

18 SEC. 402. (a) There is hereby authorized to be appro-
19 priated for each fiscal year for the purposes and administra-
20 tion of this Act the funds necessary to make the payments
21 provided for in title III of this Act and such other amounts
22 as the Congress determines to be necessary for such fiscal
23 year to carry out the other provisions of the Act.

24 (b) All funds available for carrying out this Act shall
25 be available for allotment to the bureaus and offices of the

1 Department of Agriculture and for transfer to such other
2 agencies of the Federal Government as the Secretary may
3 request to cooperate or assist in carrying out the provisions
4 of this Act.

5 (c) The funds made available for the purpose of
6 enabling the Secretary to carry into effect the provisions
7 of the Sugar Act of 1937, as amended, during the fiscal
8 year 1948 are also hereby made available to the Secretary
9 for purposes of administration of the provisions of this Act
10 during the fiscal year 1948.

11 SEC. 403. (a) The Secretary is authorized to make such
12 orders or regulations, which shall have the force and effect
13 of law, as may be necessary to carry out the powers vested
14 in him by this Act. Any person knowingly violating any
15 order or regulation of the Secretary issued pursuant to this
16 Act shall, upon conviction, be punished by a fine of not more
17 than \$100 for each such violation.

18 (b) Each determination issued by the Secretary in con-
19 nection with quotas and deficits under title II or payments
20 under title III of this Act shall be promptly published in the
21 Federal Register and shall be accompanied by a statement
22 of the bases and considerations upon which such determina-
23 tion was made.

24 SEC. 404. The several district courts of the United
25 States are hereby vested with jurisdiction specifically to en-

1 force, and to prevent and restrain any person from violating,
2 the provisions of this Act or of any order or regulation made
3 or issued pursuant to this Act. If and when the Secretary
4 shall so request, it shall be the duty of the several district
5 attorneys of the United States, in their respective districts,
6 to institute proceedings to enforce the remedies and to collect
7 the penalties and forfeitures provided for in this Act. The
8 remedies provided for in this Act shall be in addition to, and
9 not exclusive of, any of the remedies or penalties existing at
10 law or in equity.

11 SEC. 405. Any person who knowingly violates, or at-
12 tempts to violate, or who knowingly participates or aids
13 in the violation of, any of the provisions of section 209, or
14 any person who brings or imports into the continental United
15 States direct-consumption sugar after the quantities specified
16 in section 207 have been filled, shall forfeit to the United
17 States the sum equal to three times the market value, at
18 the time of the commission of any such act, (a) of that
19 quantity of sugar or liquid sugar by which any quota, pro-
20 ration, or allotment is exceeded, or (b) of that quantity
21 brought or imported into the continental United States after
22 the quantities specified in section 207 have been filled, which
23 forfeiture shall be recoverable in a civil suit brought in the
24 name of the United States.

25 SEC. 406. All persons engaged in the manufacturing,

1 marketing, or transportation or industrial use of sugar or
2 liquid sugar, and having information which the Secretary
3 deems necessary to enable him to administer the provisions
4 of this Act, shall, upon the request of the Secretary, fur-
5 nish him with such information. Any person willfully fail-
6 ing or refusing to furnish such information or furnishing
7 willfully any false information, shall upon conviction be
8 subject to a penalty of not more than \$1,000 for each such
9 violation.

10 SEC. 407. No person shall, while acting in any official
11 capacity in the administration of this Act, invest or speculate
12 in sugar or liquid sugar, contracts relating thereto, or the
13 stock or membership interests of any association or corpora-
14 tion engaged in the production or manufacturing of sugar
15 or liquid sugar. Any person violating this section shall
16 upon conviction thereof be fined not more than \$10,000 or
17 imprisoned not more than two years, or both.

18 SEC. 408. Whenever pursuant to the provisions of this
19 Act the President finds and proclaims that a national eco-
20 nomic or other emergency exists with respect to sugar or
21 liquid sugar, he shall by proclamation suspend the operation,
22 except as provided in section 207 of this Act, of all the pro-
23 visions of title II above, and, thereafter, the operation of such
24 title shall continue in suspense until the President finds and
25 proclaims that the facts which occasioned such suspension no
26 longer exist. The Secretary shall make such investigations

1 and reports thereon to the President as may be necessary to
2 aid him in carrying out the provisions of this section.

3 SEC. 409. Whenever the Secretary determines that such
4 action is necessary to effectuate the purposes of this Act,
5 he is authorized, if first requested by persons constituting
6 or representing a substantial proportion of the persons
7 affected in any one of the five domestic sugar-producing
8 areas, to make for such area surveys and investigations to
9 the extent he deems necessary, including the holding of public
10 hearings, and to make recommendations with respect to (a)
11 the terms and conditions of contracts between the producers
12 and processors of sugar beets and sugarcane in such area and
13 (b) the terms and conditions of contracts between laborers
14 and producers of sugar beets and sugarcane in such area. In
15 carrying out the provisions of this section, information shall
16 not be made public with respect to the individual operations
17 of any processor, producer, or laborer.

18 SEC. 410. The Secretary is authorized to conduct sur-
19 veys, investigations, and research relating to the conditions
20 and factors affecting the methods of accomplishing most
21 effectively the purposes of this Act and for the benefit of
22 agriculture generally in any area. Notwithstanding any
23 provision of existing law, the Secretary is authorized to make
24 public such information as he deems necessary to carry out
25 the provisions of this Act.

1 SEC. 411. The powers vested in the Secretary under
2 this Act shall terminate on December 31, 1952, except
3 that the Secretary shall have power to make payments under
4 title III under programs applicable to the crop year 1952 and
5 previous crop years.

6 SEC. 412. The provisions of this Act, except where an
7 earlier effective date is provided for herein, shall become
8 effective January 1, 1948. As provided in section 513 of
9 the Sugar Act of 1937, the powers vested in the Secretary
10 under that Act shall terminate on December 31, 1947, except
11 that the Secretary shall have power to make payments under
12 title III of that Act under programs thereunder applicable
13 to the crop year 1947 and previous crop years.

14 TITLE V—AMENDMENTS TO THE INTERNAL
15 REVENUE CODE

16 SEC. 501. (a) Subsection (b) of section 3507 of the
17 Internal Revenue Code (relating to the definition of “manu-
18 factured sugar”) is amended by inserting in the parenthesis
19 after the word “added” therein the following: “or developed
20 in the product”.

(b) Section 3508 of the Internal Revenue Code (relating to termination of taxes) is amended to read as follows:

“SEC. 3508. TERMINATION OF TAXES.

24 “No tax shall be imposed under this chapter on the
25 manufacture, use, or importation of sugar or articles com-

1 posed in chief value of sugar after June 30, 1953. Not-
2 withstanding the provisions of section 3490 or 3500, no tax
3 shall be imposed under this chapter with respect to unsold
4 sugar held by a manufacturer on June 30, 1953, or with
5 respect to sugar or articles composed in chief value of sugar
6 held in customs custody or control on such date.

7 With respect to any sugar or articles composed in chief
8 value of sugar upon which tax imposed under section 3500
9 has been paid and which, on June 30, 1953, are held by the
10 importer and intended for sale or other disposition, there
11 shall be refunded (without interest) to such importer, sub-
12 ject to such regulations as may be prescribed by the Com-
13 missioner of Customs with the approval of the Secretary, an
14 amount equal to the tax paid with respect to such sugar
15 or articles composed in chief value of sugar.”

16 (c) The amendments to the Internal Revenue Code
17 provided for in this section shall become effective upon the
18 first day of the second month following the date of the enact-
19 ment of this Act.

Passed the House of Representatives July 11, 1947.

Attest:

JOHN ANDREWS,

Clerk.

AN ACT

To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

JULY 12 (legislative day, JULY 10), 1947

Read twice and referred to the Committee on Finance

SENATE

14. SUGAR. The Finance Committee reported with an amendment H.R. 4075, the proposed Sugar Act of 1948, which amends and extends the 1937 act (S.Rept. 578) (p.9291). The Daily Digest states that the amendment is "relative to fair wage scale and employment of minors (to carry out intent of S. 1584)" (p. D553).
15. NATIONAL FORESTS. Passed over on the objection of Sen. Langer, W.Dak., S.J.Res. 118, to authorize the sale of timber on the Tongass National Forest, Alaska, in such a way as to facilitate pulp production in view of the aboriginal claims of Indians (p. 9310). Sen. Cain, Wash., inserted a Seattle Times article, "Congress Action Now Vital if Alaska is to Get Pulp Industry" (p. 9310).
16. STATISTICS. Passed with amendments S. 1497, to direct the Census Bureau to collect, collate, and publish various statistics on oilseeds in addition to those on cottonseed and cottonseed products presently published; and expand reporting to include production, stocks, and shipments of oilseed meals and other primary oilseed products (pp. 9307-8).
17. PERSONNEL; TRANSPORTATION. Passed without amendment H.R. 187, to authorize transportation for U.S. civilian employees stationed in Alaska on airplanes of the Army transport service (p. 9301). This bill will now be sent to the President.
18. APPROPRIATIONS. Sen. O'Mahoney, Wyo., discussed the status of the major appropriation bills, criticizing the delay in getting the bills through Congress, and stating "It is due to the fact that the bills have not passed the House of Representatives in time for the Senate committee to give any consideration to them" (pp. 9314-6).
19. PERSONNEL. Sen. Lodge, Mass., discussed the civil service efficiency rating system and its relation to retention of employees and stated "I believe that immediate revision of the present regulation concerning the priority of non-veteran retention, supplemented by a thorough overhaul of personnel evaluation techniques, will do much to insure that our executive branch is populated with men and women of real ability" (pp. 9319-21).
20. LIVESTOCK SUBSIDIES. The Banking and Currency Committee reported with amendment S. 1429, to authorize retroactive subsidies to certain livestock slaughterers who became eligible under a regulation effective July 23, 1945, changing the definition of a non-processing slaughterer (S.Rept. 576) (p. 9291).
21. FARM LABOR. Sen. Pepper, Fla., criticized the discontinuing of the migratory farm-labor program (p. 9344).
22. LANDS. Passed as reported S. 1368, to increase the size of isolated or disconnected tracts or parcels of the public domain which may be sold (p. 9301).
23. ROADS. Received from the Interior Department a proposed bill to extend the Federal Aid Road Act to Alaska and to transfer certain functions of the Interior Department to the Public Roads Administration; to Public Works Committee (p. 9291).
24. PRICES. The Banking and Currency Committee approved (but did not actually report) S.Con. Res. 19, to establish a joint committee to investigate prices of consumer goods (p. D552).
25. RFC; VETERANS' BENEFITS. The Banking and Currency Committee approved (but did

(OVER)

not actually report) S. 1543, to restore to RFC Act certain provisions concerning GI loans (p. D552).

BILLS INTRODUCED

26. FARM LABOR. H.R. 4254, by Rep. Bramblett, Calif., providing for the disposition of farm-labor camps to public or semipublic agencies or nonprofit associations of farmers. To Agriculture Committee. (p. 9400.)
27. R.F.C.; VETERANS' BENEFITS. H.R. 4249, by Rep. Bryson, S.C., amending the Reconstruction Finance Corporation Act in order to authorize the purchase by RFC of loans which are guaranteed or insured under the GI Bill. To Banking and Currency Committee. (p. 9400.)
28. HOUSING. H.Con. Res. 104, by Rep. Wolcott, Mich., to establish a joint congressional committee to be known as the Joint Committee on Housing. To Rules Committee. (p. 9401.)
29. VETERANS' EMPLOYMENT. S. 1652, by Sen. Bridges, N.H. (for himself and others), to promote maximum employment, business opportunities, and careers for veterans in a free competitive economy. To Labor and Public Welfare Committee. (p. 9292.) Remarks of author (pp. 9321-31).

ITEMS IN APPENDIX

30. SOIL CONSERVATION; FERTILIZERS. Extension of remarks of Rep. Murray, Wis., on the importance of soil conservation programs, and including and discussing tabulation of soil conservation appropriations since 1934 (pp. A3803-4); and inserting and discussing tabulations of fertilizers used under this program (pp. A3828-30).
Rep. Stigler, Okla., inserted Hugh H. Bennett's Washington Evening Star article, "The Land is Our Sustenance--Erosion has Damaged More Than Half of Our Farmland and Threatens World's Food Supply" (pp. A3815-6).
31. MONOPOLIES. Speech in the House by Rep. Kefauver, Tenn., urging that big business monopolies be curbed (pp. A3804-7).
32. RESEARCH. Speech in the House by Rep. Gross, Pa., favoring creation of a National Science Foundation (pp. A3811-2).
33. FOREIGN RELIEF. Rep. Arnold, Mo., inserted a Wall Street Journal editorial on the need for aid to foreign countries (pp. A3812-3).
34. FLOOD CONTROL. Extension of remarks of Rep. Burleson (Tex.) and Rep. Fisher (Tex.) favoring the President's flood-control plan and calling attention to need for flood-control work in sections other than the Miss. and Mo. valleys (pp. A3814, A3815).
35. EMPLOYEES' LOYALTY. Rep. Buchanan, Pa., inserted a N.Y. Times editorial opposing the Federal Employees' Loyalty Act (p. A3817).
36. SUGAR IMPORTS. Rep. Wiechel, Ohio, inserted an Alvado, Ohio, resolution urging an investigation as to why sufficient sugar is not being imported into the U.S. from sugar-producing countries to remove all rationing (p. A3818).
37. ECONOMIC REPORT. Rep. Colner, Miss., inserted Marion B. Felson's (treas. Eastman Kodak Co.) statement on economic conditions, favoring particularly consideration of parity prices by the Joint Committee on Economic Report (pp. A3819-22).

SUGAR ACT OF 1948

JULY 17 (legislative day, JULY 16), 1947.—Ordered to be printed

Mr. MILLIKIN, from the Committee on Finance, submitted the
following

REPORT

[To accompany H. R. 4075]

The Committee on Finance, to whom was referred the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes, having considered the same, report thereon with an amendment and, as amended, recommend that the bill do pass.

The committee amendment inserts, on page 23, between lines 6 and 7, a new paragraph as follows:

(3) Subparagraphs (1) and (2) of this subsection (c) shall apply, and the Secretary shall make determinations thereunder, with respect to any domestic sugar producing area only (i) if producers in such area, who are also processors, produce in excess of five per centum of the total production of sugar beets or sugarcane in such area, and also (ii) if request for such determinations is first made by persons constituting, or representing a substantial proportion of the producers, processors, or laborers in such area who would be affected by such determinations: *Provided, however,* That in the case of the mainland cane sugar area, the provisions of this subsection (c) shall apply separately to the States of Florida and Louisiana.

Section 301 (c) of the bill as it passed the House would continue the authority of the Secretary to condition payments to producers upon compliance with fair wage and price determinations as now provided for in the Sugar Act of 1937. The committee amendment would authorize the Secretary to issue such determinations in any area only (1) if producers therein, who were also processors, produce in excess of 5 percent of the total production of sugar beets or sugarcane in such area and, also, (2) if request for such determinations with respect to any particular crop is first made by persons constituting or representing a substantial proportion of the producers, processors, or laborers in such area who would be affected by such deter-

minations. The practical effect of this amendment would be to preclude the determination of fair wages and prices as conditions for payment to sugar beet growers. The committee feels that competition among processors and of alternative crops and the prevalence of family sized farms competing for labor create such a competitive situation as to make such determinations unnecessary in the beet sugar area. The amendment would also require the Secretary to exercise his authority therein separately to the States of Louisiana and Florida.

An explanation of the remaining provisions of the bill, together with supporting reasons, are set forth in the House report which is set out below.

[H. Rept. 796, 80th Cong., 1st sess.]

GENERAL STATEMENT

The accompanying bill would, in effect, reenact with certain changes the Sugar Act of 1937, as amended, which would otherwise terminate on December 31, 1947. This bill, except where otherwise provided, would become effective January 1, 1948, and continue in effect for a period of 5 years ending December 31, 1952. The tax with respect to sugar, originally provided for in the Sugar Act of 1937 and now included as a part of the Internal Revenue Code, would also be extended for a period of 5 years to July 1, 1953. Like its predecessors, the Jones-Costigan Sugar Act of 1934 and the Sugar Act of 1937, the bill has as its primary objective the stabilization of the sugar producing, refining, and importing industries. This over-all objective would be effectuated through the establishment and use of quotas under which the United States market would be divided among the various domestic sugar-producing areas and certain foreign-sugar-producing areas which have historically supplied the domestic market. As a means of implementing the sugar quotas authorized to be established, provision is made for making payments to domestic producers of sugar beets and sugarcane. A further implementing provision is the continuation of the excise tax on sugar manufactured in the United States which is designed to provide sufficient revenue to equal the amount of the payments made to producers. In administering the provisions of the Sugar Act of 1948 and in the establishment of quotas thereunder, the Secretary of Agriculture is subject to the over-all mandate of protecting the welfare of consumers and of those engaged in the domestic sugar industry by assuring a supply of sugar at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the sugar industry of the United States.

It has been recognized for some time by people interested in sugar that the Sugar Act of 1937, as amended, would not be adequate should the reimposition of quotas become necessary because of certain conditions affecting the production and distribution of sugar which have been brought about by the war.

Under the Sugar Act of 1937 any deficit in the quota for the Republic of the Philippines is required to be allotted to foreign countries other than Cuba. This provision of law, which was included at a time when it was never contemplated that any Philippine deficit would be other than a nominal one, makes the Sugar Act of 1937 unworkable in view of the present situation, where for the next few years the probability is that the Philippine deficits will be substantial. During the war the supply of sugar from the Philippines was cut off entirely and greatly increased supplies were obtained from Cuba with the result that during this period Cuban production was greatly expanded. By permitting Cuba to supply the principal portion of the Philippine deficit at a time when its production is at an all-time high will, in effect, substantially continue the pattern established during the war and enable Cuba to gradually adjust its production downward to a sound level with a minimum of economic disruption.

It should be pointed out that this bill is a short-term measure designed to meet postwar adjustment problems in the production and distribution of sugar. For example, provision has been made for allotting to Cuba almost the entire deficit anticipated in the Philippine quota. Domestic areas have been given fixed quotas rather than percentage quotas for a temporary period of 5 years, which period is believed to be of sufficient duration to enable necessary postwar adjustments to be made in the foreign areas supplying the United States sugar market.

The committee believes that it should be made abundantly clear that the distribution of the American sugar market among the producers of the United States and foreign countries and the provision for the establishment of quotas for the ensuing 5 years on the basis provided for in this bill is not intended to establish, and should not be construed as establishing, a permanent production and distribution pattern nor as waiving American producers' rights to such portions of the American market as they can supply at the conclusion of the 5-year period covered by the bill. On the contrary, it should be emphasized that this bill is designed to meet the problems of the temporary postwar transition period and is not to be regarded as the establishment of long-time national sugar policy.

MAJOR CHANGES IN EXISTING LAW

Consumption estimate

Section 201 would modify the method of estimating the quantity of sugar needed to meet the requirement of consumers in the continental United States. The Sugar Act of 1937 provides that the estimate of consumption requirements shall afford an annual supply to consumers, on a per capita basis, in an amount not less than the average per capita consumption during the 2-year period 1937-38, which amounted to 102.6 pounds. This per capita standard is omitted from the bill and there is provided a provision directing the Secretary in making consumption estimates to take into consideration certain standards with a view to providing a supply of sugar which will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry. The standards to be taken into consideration include the level of consumption during the preceding year, any deficiency or surplus in inventories of sugar, changes in population and demand conditions, the level and trend of consumers' purchasing power, and the relationship between the prices at wholesale for refined sugar and the general cost of living in the United States as compared with the relationship between the prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control on sugar. Under this section the Secretary is not required to limit his estimate of consumption requirements to any one of the factors enumerated. He is merely required to take such factors into consideration before he makes his determination. The over-all or controlling guide is the provision which requires the establishment of a supply of sugar which will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry.

In rewriting section 201 to incorporate additional standards to be considered by the Secretary in estimating consumption requirements the word "average" was omitted which formerly preceded and modified the word "prices" in line 8, page 6, of the bill and the words "as a whole" were omitted which formerly followed and modified the words "domestic sugar industry" appearing in lines 10 and 11 on page 6 of the bill. It is the intention of the committee that such omissions are not to be construed as altering the interpretations heretofore placed upon such words or phrases or as warranting a new interpretation different from that placed upon such words and phrases as they appeared in the Sugar Act of 1937. This is in accord with the interpretation placed upon the language of the bill by the representatives of the Department of Agriculture who appeared before the committee.

ESTABLISHMENT OF QUOTAS

Section 202 of the bill makes important changes in sugar quotas from those found in the Sugar Act of 1937. Under the Sugar Act of 1937, the quotas for all sugar-producing areas both domestic and foreign are based upon percentages of the estimate of consumption requirements so that annual quotas vary depending upon the amount of such estimate. Section 202 of the bill establishes fixed quotas for domestic producing areas totaling 4,268,000 short tons raw value. It also establishes a quota of 952,000 short tons of sugar (irrespective of polarization) as specified in section 211 of the Philippine Trade Act of 1946. The difference between the fixed amounts for the domestic producing areas and the Republic of the Philippines and the estimate of consumption requirements is apportioned to Cuba and foreign countries other than Cuba and the Republic of the Philippines on the basis of the same percentage ratios as are now provided in the Sugar Act of 1937, namely, 98.64 percent to Cuba and 1.36 percent to full-duty countries.

Section 202 (d) guarantees for Cuba a minimum quota after reallocation of deficits, equivalent to the share (28.6 percent) of the total estimate of consumption

provided for Cuba in section 202 (b) of the Sugar Act of 1937. Under this provision, whenever Cuba's share under the quota system set forth in this bill would otherwise fall below 28.6 percent, the quotas for domestic producing areas would be reduced on a pro rata basis by the amount necessary to provide a quota for Cuba of 28.6 percent. The committee believes it likely that the consumption of sugar in this country during the next 5 years will be at a sufficiently high level so that Cuba's quota will exceed 28.6 percent of the consumption requirements and that no revision of the specific quotas established for domestic producing areas will have to be made.

Section 202 (e) is a new provision under which the Secretary is authorized to withhold or withdraw any increase in the quota for any foreign country over that provided for such country under the Sugar Act of 1937 upon a finding and notification by the Secretary of State that such country denies fair and equitable treatment to nationals of the United States, its commerce, navigation, or industry. In the event that any quota, or any portion thereof, is withheld or withdrawn pursuant to this section the amounts so withdrawn are to be allocated proportionately among the domestic producing areas, and if the domestic areas are unable to fulfill such amounts so allotted then the amounts unfilled may be allotted by the Secretary to foreign countries which do not deny fair and equitable treatment to nationals of the United States.

It has been brought to the attention of the committee that there have been instances where nationals of the United States have been unable to collect pecuniary claims from foreign governments notwithstanding the fact that, in many instances, the validity of such claims has been acknowledged by, or adjudicated in the courts of, such foreign countries.

It is the intent of the committee that the nonpayment of valid claims which have been adjudicated or acknowledged by foreign countries shall constitute unfair or inequitable treatment within the meaning of section 202 (e). Representatives of the State Department appearing before the committee concurred in this construction of the language of section 202 (e).

PRORATION OF AREA DEFICITS

Section 204 of the bill would change the provision of the present law with respect to the allocation of any Philippine deficit by providing for the allocation of such deficit to Cuba and full-duty countries, with 95 percent of such deficit allotted to Cuba and the balance of 5 percent to full-duty countries. Under the Sugar Act of 1937, the entire Philippine deficit is reallocated to full-duty countries. The deficits in the Philippine quota were relatively small prior to the war as compared with expected substantial deficits during the next few years.

Section 204 also provides that in the event the quota for Cuba, after reallocation of deficits, would fall below 28.6 percent, except for the provisions of section 202 (d) described above. The proration to full-duty countries would be 1.36 percent instead of 5 percent, and the proration to Cuba would be 98.64 percent instead of 95 percent. The Philippine deficit would be prorated on this revised basis before application of section 202 (d) for the purpose of maintaining the Cuban quota at not less than 28.6 percent.

The deficit in any domestic area, as in the 1937 act, is shared by the remaining domestic areas and Cuba proportionately to the quotas in effect.

CONDITIONAL PAYMENTS

Section 301 of the bill specifies the conditions which a grower must meet in order to be eligible to receive full payments under the act. These conditions are (1) that growers of sugar beets or sugarcane shall not employ child labor (except members of their immediate families), and (2) that growers shall not market sugar beets or sugarcane in excess of the proportionate shares (in terms of acreage allotments, weight, or recoverable sugar content) established by the Secretary for their respective farms.

Under section 409 of the bill, the Secretary is authorized, if first requested by individuals or associations constituting or representing a substantial proportion of the persons affected in any one of the five domestic-sugar producing areas, to make recommendations with respect to the terms and conditions of contracts between producers and processors and the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane. The provisions of section 409 are similar to the provisions of section 511 of the Sugar Act of 1937 except that under section 409 the Secretary may not make recommendations

unless he is first requested to do so by a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas and any such recommendations must be made on an area-wide basis.

EXPLANATION OF THE BILL

Definitions

Title I contains definitions applicable to the entire bill except title V. Title V contains proposed amendments to the provisions of the Internal Revenue Code relating to taxes on sugar, and separate definitions for tax purposes are found in the Internal Revenue Code. The only change in the definitions in Title I is in subsection (f) of section 101, the definition of "liquid sugar." In the present law "liquid sugar" means—

"any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble nonsugar solids (excluding any foreign substances that may have been added) equal to 6 per centum or less of the total soluble solids."

The definition is changed by the bill so that the second parenthetical clause in the definition would read "(excluding any foreign substances that may have been added or developed in the product)." The definition as changed will not bring within its terms any new or different type of sugar product. The purpose is to include certain sugars which properly belong within the definition but which have not been covered by the definition because there has been artificially developed in the product additional soluble nonsugar solids sufficient to make the total soluble solids of the product in excess of 6 per centum.

Quota provisions

Title II contains the quota provisions. The Secretary of Agriculture is authorized under section 201 to determine the requirements of consumers for each calendar year on the basis of the standards specified therein. In making his determinations the Secretary is directed to protect the welfare of consumers and of those engaged in the domestic sugar-producing industry by providing a quantity of sugar which will be consumed at prices fair to both consumers and the domestic sugar industry.

The Secretary is authorized under section 202 of the bill to establish quotas for the various domestic areas and for foreign countries. The quotas to be established for domestic areas and the Republic of the Philippines are set out in section 202 in specific amounts. The quotas for domestic areas are to be established by apportioning among such areas 4,268,000 short tons of sugar, raw value, as follows:

Area:	Short tons, raw value
Domestic beet sugar.....	1, 800, 000
Mainland cane sugar.....	500, 000
Hawaii.....	1, 052, 000
Puerto Rico.....	910, 000
Virgin Islands.....	6, 000

The quota for the Philippines is 952,000 tons of sugar (irrespective of polarization) which corresponds to the quota for that area set forth in the Philippine Trade Act of 1936. The remainder of the consumption requirements is to be apportioned (1) to Cuba and (2) to other foreign countries on the basis of the division between such countries specified in the Sugar Act of 1937. Section 202 further provides that if the quota established for Cuba, including deficits allotted or prorated under section 204, should be a smaller proportion of the consumption estimate than the quota which would have been established for Cuba under such estimate under the provisions of section 202 of the Sugar Act of 1937, the quotas for the domestic areas shall be reduced pro rata by such amounts as are necessary to provide Cuba with such minimum quota. The Secretary of Agriculture is authorized to withhold from any foreign country any increase which this bill would provide for such country over the quota which it would have obtained under the Sugar Act of 1937, if the Secretary of State finds and notifies the Secretary of Agriculture that such country denies fair and equitable treatment to nationals of this country, or discriminates against the commerce, navigation, or industry of the United States. In the event that any amount of sugar is withheld or withdrawn under this section such amount of sugar so withheld or withdrawn is to be prorated to domestic areas proportionately on the basis of existing quotas and if any portion of such amount of sugar cannot be supplied by domestic

areas the Secretary may prorate such deficits to foreign countries. Section 203 continues the authority of the Secretary to determine quotas for local consumption in the Territory of Hawaii and in Puerto Rico.

Proration of deficits

The bill provides that the Secretary shall, from time to time, determine whether any domestic area, the Republic of the Philippines, or Cuba will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to fill its quota, section 204 directs that such deficit shall be prorated to other such areas on the basis of the quotas then in effect, with the proviso that Cuba shall receive the full amount of the deficit of any domestic area when the outstanding determination of consumption requirements under section 201 of the act is less than 7,000,000 short tons, raw value. Section 204 further provides that any deficit in the quota for the Republic of the Philippines shall be allotted to Cuba and full-duty countries in the ratio of 95 and 5 percent, respectively, except that, whenever the quota for Cuba established under the provisions of the bill other than section 202 (d) is less than the amount required by the provisions of that section, the deficit shall be allotted to Cuba and full-duty countries in the ratio of 98.64 and 1.36 percent, respectively. Any unfilled portion of the proration to any full-duty country, as of September 1 of any year, is to be allotted to other full-duty countries. Section 205 of the bill authorizes the Secretary to allot the quota for any area on the basis of standards specified therein.

Establishment of quotas for 1948

Section 206 of the bill provides that subject to the provisions of sections 207 and 408 relating to the suspension of quotas, sugar quotas shall be established pursuant to this act for the calendar year of 1948 within 10 days after January 1, 1948. Under provisions of sections 207 and 408 of the bill the President is authorized to suspend quotas whenever he finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar.

Direct-consumption quotas

Section 207 continues the provisions of the 1937 act with respect to the quantity of direct-consumption sugar which may be imported or brought into the continental United States except the direct-consumption portion of the quota for the Republic of the Philippines is set at 56,000 short tons of sugar (irrespective of polarization) as provided in section 211 of the Philippine Trade Act of 1946.

The amounts of direct-consumption sugar which may be brought into the continental United States from areas other than the Republic of the Philippines are as follows:

Area:	Short tons, raw value
Hawaii.....	29, 616
Puerto Rico.....	126, 033
Virgin Islands.....	0
Cuba.....	375, 000

This section further provides that these direct-consumption portions of the quotas shall not be subject to suspension by the President, pursuant to the provisions of section 408, unless the President specifically finds and proclaims that an emergency exists with respect to sugar which requires their suspension.

Conditional-payment provisions

Title III contains the conditional-payment provisions of the bill. Section 301 authorizes the Secretary to make payments to producers who do not employ child labor (except members of their immediate families) and who do not market sugar beets or sugarcane in excess of the proportionate shares (acreage allotments) established by the Secretary for their respective farms. Section 302 authorizes the Secretary to establish proportionate shares for farms in each of the domestic areas in terms of each farm's fair share of the total quantity of sugar beets or sugarcane required to be processed to enable the producing area to meet the quota (and provide a normal carry-over inventory) for such area. The proportionate shares (acreage allotments) for farms are to be established on the basis of past production on the farm and ability to produce sugar beets or sugarcane thereon. In view of the differences in conditions of production obtaining in the various sugar-producing areas, the committee has not attempted to specify the exact manner in which the Secretary shall use production history. It is the judgment of the committee that considerable discretion should be left to the

Secretary to deal with the varied and changing conditions in the various producing areas, in order to establish fair and equitable proportionate shares for farms in such areas. The bill also directs the Secretary to protect, insofar as practicable, the interests of new producers and small producers and the interest of tenants, sharecroppers, and adferent planters. Section 303 continues the provision of the 1937 act with respect to crop deficiency and abandonment payments which afford farmers protection in the case of crop losses due to specified weather hazards.

Section 304 provides for a base rate of payment of 80 cents per 100 pounds of sugar, and for reductions in this base rate of payment for farms producing in excess of 350 tons of sugar. The reductions in the base rate of payment vary from 5 cents per 100 pounds for that portion of the farm production between 350 and 700 tons to a reduction of 50 cents per 100 pounds for that portion of the production in excess of 30,000 tons. This provision continues the policy of preferring the small-sized farm in the making of payments. The base rate of payment and the rates of reductions are the same as in the present law.

Local committees

In carrying out the provisions of titles II and III, the Secretary is authorized to utilize the service of local committees of producers, State and county agricultural conservation committees, and the Agricultural Extension Service and other agencies, and to prescribe that all or part of the expenses of such committees may be deducted from the payments.

General provisions

Title IV of the bill contains general provisions applicable to the entire bill except title V.

Authorization is made for an annual appropriation of such amounts as the Congress determines to be necessary to make the authorized payments to producers and to administer the legislation. The funds made available for the purpose of carrying out the provisions of the Sugar Act of 1937, as amended, during the fiscal year of 1948 are also made available under this bill to the Secretary for the purposes of administering the provisions of this act during the fiscal year of 1948.

The bases and considerations underlying determinations by the Secretary in connection with quotas and payments are required to be published in the Federal Register along with such determinations (sec. 403). District courts are given jurisdiction to enforce the provisions of the legislation and regulations issued thereunder (sec. 404). The Secretary is also authorized to require persons who manufacture, market, transport, or make industrial use of sugar to furnish such information as he deems to be necessary to administer the legislation (sec. 406). Department officials are prohibited from speculating in sugar or sugar companies' securities or interests (sec. 407).

Suspension of quotas

The President is authorized under section 408, upon a finding that a national economic or other emergency exists with respect to sugar, to suspend quotas established under title II. The quotas would again become operative on a finding by the President that the facts which constituted the emergency no longer exist.

Recommendations as to fair prices and wages

Section 409 authorizes the Secretary, when he determines such action necessary to effectuate the purposes of the legislation, upon the request of individuals or associations constituting or representing a substantial portion of the persons affected, to make such surveys and investigations as he deems necessary, including the holding of public hearings, and to make recommendations, with respect to the terms and conditions of contracts between processors and producers of sugar beets and sugarcane and the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane. Such recommendations are required to be made on an area-wide basis with respect to any one of the five domestic sugar-producing areas. In administering this provision the Secretary would be authorized to obtain information under the provisions of section 406 which provides for the furnishing of information which the Secretary deems necessary to enable him to administer all the provisions of the act including the provisions of section 409 thereof. The Secretary, however, is forbidden to disclose any information with respect to the individual operations of any processor, producer, or laborer.

Effective date

Section 412 of the bill provides that it shall become effective January 1, 1948, and that the powers vested in the Secretary under the Sugar Act of 1937 shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III of that act under programs applicable to the crop year 1947 and previous crop years.

Amendments to taxes relating to sugar

Title V contains certain amendments to the Internal Revenue Code relating to taxes on sugar. A change is made in the definition of "manufactured sugar" to conform with a similar change made by subsection (f) of section 101 in the definition of "liquid sugar" applicable to the provisions of the bill other than those contained in title V.

The termination date for the tax on sugar is extended to June 30, 1953, which covers a period of 5 years from the present termination date. There is also included a provision providing that no tax shall be imposed with respect to unsold sugar held by a manufacturer at the time of the termination of the tax. Similarly, with respect to sugar held by an importer and intended for sale or other disposition at the time of the termination of the tax, there is to be refunded to such importer an amount equal to the tax paid. The purpose of this provision is to eliminate any inequity which might result if tax-paid sugar had to be marketed in competition with sugar marketed after termination of the tax.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is in italics, existing law in which no change is proposed is shown in roman):

SUGAR ACT OF 1937, AS AMENDED

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sugar Act of [1937] 1948".

TITLE I—DEFINITIONS

SEC. 101. For the purposes of this Act, except title [IV] V—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) the term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure, but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.

(e) The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 per centum or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) The "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing ninety-six sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing ninety-two or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07.

(2) For sugar, derived from sugarcane and testing ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93.

(3) For sugar, derived from sugarcane and testing more than ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above ninety-two degrees.

(4) For sugar and liquid sugar, testing less than ninety-two sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972.

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection (h).

(i) The term "total sugar content" means the sum of the sucrose (Clerget) and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota", depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year, from the Territory of Hawaii, Puerto Rico, the Virgin Islands, [the Commonwealth of the Philippine Islands] or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugarcane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or liquid sugar which may be marketed in the Territory of Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculture.

·TITLE II—QUOTA PROVISIONS

SEC. 201. The Secretary shall determine for each calendar year, *beginning with the calendar year 1948*, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (*in the case of the calendar year 1948, during the first ten days thereof*) and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and *for changes in consumption because of changes in population and demand conditions*, as computed from statistics published by agencies of the Federal Government; [with respect to inventories of sugar, population, and demand conditions] and, in order that [the regulation of commerce provided by this Act shall not result in excessive prices to consumers, the Secretary shall make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available to consumers shall not result in average prices to consumers in excess of those necessary to maintain the domestic sugar industry as a whole. The amount of such additional allowances shall not be less than the amount required, after allowance for normal carry-over, to give consumers in the continental United States a per capita consumption equal to the average of the two-year period 1937-38.] *such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the*

welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas, by [prorating] apportioning among such areas [55.59 per centum of such amount of sugar but not less than 3,715,000 short tons on the following basis] 4,268,000 short tons, raw value, as follows:

Area:	[Per centum]	Short tons, raw value
Domestic beet sugar-----	[41. 72]	1, 800, 000
Mainland cane sugar-----	[11. 31]	500, 000
Hawaii-----	[25. 25]	1, 052, 000
Puerto Rico-----	[21. 48]	910, 000
Virgin Islands-----	[. 24]	6, 000

(b) [For foreign countries, and the Commonwealth of the Philippine Islands, by prorating 44.41 per centum of such amount of sugar (except, if such amount of sugar is less than 6,682,670 short tons, the excess of such amount over 3,715,000 short tons) on the following basis:

Area:	Per centum
Commonwealth of the Philippine Islands-----	34. 70
Cuba-----	64. 41
Foreign countries other than Cuba-----	. 89

In no case shall the quota for the Commonwealth of the Philippine Islands be less than the duty-free quota now established by the provisions of the Philippine Independence Act.] For the Republic of the Philippines, in the amount of 952,000 short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

(c) For foreign countries other than the Republic of the Philippines, by prorating among such areas an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

Area:	Per centum
Cuba-----	98. 64
Foreign countries other than Cuba and the Republic of the Philippines--	1. 36

The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, Number 1, issued December 12, 1936, pursuant to the Agricultural Adjustment Act, as amended.

(d) Notwithstanding the other provisions of this title II, in the event the quota established for Cuba, including any and all deficits allotted or prorated to Cuba pursuant to the provisions of section 204 (a), shall be a smaller proportion of the total amount of sugar which the Secretary determines is needed to meet the requirements of consumers in the continental United States pursuant to section 201 of this Act, than the quota which would have been established for Cuba upon such consumptive estimate under the provisions of section 202 (b) of the Sugar Act of 1937, the quotas for domestic sugar-producing areas established pursuant to the other provisions of this title II shall be reduced pro rata by such amounts as are required to establish such quota for Cuba and the amounts by which such domestic sugar-producing quotas are so reduced shall be added to the quota for Cuba.

(e) If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this Act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937: Provided, That any amount of sugar so withheld or withdrawn shall be prorated to domestic areas on the basis of existing quotas for such areas and

the Secretary shall revise such quotas accordingly: Provided further, That any portion of such amount of sugar which cannot be supplied by domestic areas may be prorated to foreign countries other than a country which the Secretary of State finds has denied fair and equitable treatment to nationals of the United States.

SEC. 203. In accordance with [the applicable] such provisions of section 201, as he deems applicable, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

SEC. 204. (a) The Secretary shall, [as he deems necessary] from time to time during the calendar year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any domestic area, the [Commonwealth] Republic of the Philippines [Islands], or Cuba, will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect. Any portion of such sugar which the Secretary determines cannot be supplied by domestic areas and Cuba shall be prorated to foreign countries other than Cuba on the basis of the prorations of the quota then in effect for such foreign countries. *Provided, however, That domestic areas shall not share in any deficit of any domestic area if the then outstanding determination of the Secretary made pursuant to section 201 of the Act is less than seven million short tons, raw value.* If the Secretary finds that the [Commonwealth] Republic of the Philippines [Islands] will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for Cuba and foreign countries other than Cuba and the Republic of the Philippines by prorating an amount of sugar equal to the deficit so determined [to such foreign countries, on the basis of the proration of the quota then in effect for such countries] as follows:

To Cuba-----	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines-----	5 per centum

Provided, however, [That the quota for any domestic area, the Commonwealth of the Philippine Islands, or Cuba or other foreign countries, shall not be reduced by reason of any determination made pursuant to the provisions of this subsection.] That whenever the quota for Cuba established under the provisions of this Act other than section 202 (d) is less than the amount required by the provisions of section 202 (d) of this Act, such prorations shall be as follows:

To Cuba-----	98.64 per centum
To foreign countries other than Cuba and the Republic of the Philippines-----	1.36 per centum

Any portion of such Philippine deficit which the Secretary determines cannot be supplied by Cuba shall be prorated to foreign countries other than Cuba and the Republic of the Philippines. No part of any Philippines deficit so prorated may be filled by direct-consumption sugar.

(b) If, on the 1st day of September in any calendar year, any part or all of the proration to any foreign country of the quota [in effect on the 1st day of July in the same calendar year] for foreign countries other than Cuba and the Republic of the Philippines established under the provisions of section 202 (c) has not been filled, the Secretary may revise the proration of such quota among such foreign countries by [prorating] allotting an amount of sugar equal to such unfilled proration to [all other] such foreign countries [which] as have filled their prorations of such quota by such date [on the basis of the prorations then in effect].

(c) The quota for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section 204.

(d) Any proration among foreign countries other than Cuba and the Republic of the Philippines pursuant to this section shall be on such basis as the Secretary shall determine.

SEC. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this

Act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302, pertained; the past marketings or importations of each such person; **[or]** and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

(b) An appeal may be taken, in the manner hereinafter provided, from any decision making such allotments, or revisions thereof, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revising any allotment made to him.

(c) Such appeal shall be taken by filing with said Court, within twenty days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of said appeal the Secretary shall file with the court the originals or certified copies of all papers and evidence presented to him upon the hearing involved, **[and also]** a like copy of his decision thereon, **[and shall within thirty days thereafter file]** a full statement in writing of the facts and grounds for his decisions as found and given by him and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

(d) Within thirty days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however,* That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 240 of the Judicial Code, as amended (U. S. C., title 28, sec. 347), by appellant, by the Secretary, or by any interested party intervening in the appeal.

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

[(g) The Government of the Commonwealth of the Philippine Islands shall make allotments of any quota established for it pursuant to the provisions of this Act on the basis specified in section 6 (d) of Public Law Numbered 127, approved March 24, 1934.]

SEC. 206. [Until sugar quotas are established pursuant to this Act for the calendar year 1937, which shall be within sixty days after its enactment, the quotas determined by the Secretary in General Sugar Quota Regulations, Series 4, Number 1, issued December 12, 1936, pursuant to the provisions of the Agricultural Adjustment Act, as amended, shall remain in full force and effect.] *Subject to the provisions of sections 207 and 408 relating to the suspension of quotas, sugar quotas shall be established pursuant to this Act for the calendar year 1948 within ten days after effective date of this Act.*

SEC. 207. (a) [Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for each of the calendar years 1937, 1938, and 1939 may be filled by direct-consumption sugar; and not more than four thousand nine hundred and thirty-six short tons, raw value, of the quota for Hawaii for the calendar year 1940 may be filled, during the first two months of such year, by direct-consumption sugar. This subsection is hereby extended so that not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar: *Provided, however,* That the amount of said quota which may be filled by direct-consumption sugar for the calendar year 1940 shall not be less than the quantity of direct-consumption sugar from Hawaii actually brought into the continental United States, for consumption therein, after December 31, 1939, and up to and including the date of the enactment of this amendatory sentence.] *Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.*

(b) [Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for each of the calendar years 1937, 1938, and 1939 may be filled by direct-consumption sugar; and not more than twenty-one thousand and six short tons, raw value, of the quota for Puerto Rico for the calendar year 1940 may be filled, during the first two months of such year, by direct-consumption sugar. This subsection is hereby extended so that not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar: *Provided, however,* That the amount of said quota which may be filled by direct-consumption sugar for the calendar year 1940 shall not be less than the quantity of direct-consumption sugar from Puerto Rico actually brought into the continental United States, for consumption therein, after December 31, 1939, and up to and including the date of the enactment of this amendatory sentence.] *Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.*

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

[(d) Not more than [eighty thousand two hundred and fourteen] *fifty-six thousand short tons of sugar* [raw value,] of the quota for the [Commonwealth] Republic of the Philippines [Islands] for any calendar year may be filled by direct-consumption sugar as specified in section 211 of the Philippine Trade Act of 1946.]

(e) Not more than three hundred and seventy-five thousand short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct consumption sugar.

(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

(g) *The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of title II applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 409 of this Act unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas.*

SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

Country—	<i>In terms of wine gallons of 72% total sugar content</i>
Cuba.....	7, 970, 558
Dominican Republic.....	830, 894
Other foreign countries.....	0

【The quantities of liquid sugar imported into the continental United States during the calendar year 1937, prior to the enactment of this Act, shall be charged against the quotas for the calendar year 1937 established by this section.】

SEC. 209. All persons are hereby prohibited—

(a) From bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands 【the Commonwealth of the Philippine Islands】 or foreign countries, (1) any sugar or liquid sugar after the applicable quota 【for such area】 or the proration of any such quota, has been filled, or (2) any direct-consumption sugar after the direct-consumption portion of any such quota has been filled;

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland cane-sugar area after the quota for such area has been filled;

(c) From marketing in either the Territory of Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

(d) From exceeding allotments of any quota, *direct-consumption portion of any quota*, or proration 【thereof】 of any quota, made to them pursuant to the provisions of this Act.

SEC. 210. (a) The determinations provided for in sections 201 and 203, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208, shall be made or established in terms of raw value.

(b) For the purposes of this title, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 and in the establishment or revision of quotas prorations, and allotments.

SEC. 211. (a) The raw-value equivalent of any sugar or liquid sugar in any form, including sugar or liquid sugar in manufactured products, exported from the continental United States under the provisions of section 313 of the Tariff Act of 1930 shall be credited against any charges which shall have been made in respect to the applicable quota or proration for the country of origin. The country of origin of sugar or liquid sugar in respect to which any credit shall be established shall be that country in respect to importation from which draw-back of the exported sugar or liquid sugar has been claimed. Sugar or liquid sugar entered into the continental United States under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin.

(b) Exportation within the meaning of sections 309 and 313 of the Tariff Act of 1930 shall be considered to be exportation within the meaning of this section.

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area: *Provided, however*, That any sugar or liquid sugar admitted free of duty from the Virgin Islands under the Act of Congress, approved March 3, 1917 (39 Stat. 1133), may be admitted within the quota for the Virgin Islands.

SEC. 212. The provisions of this title shall not apply to (1) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year; (2) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in individual sealed containers of such capacity as the Secretary may determine, not in excess of one and one-tenth gallons each; or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production of livestock feed.

TITLE III.—CONDITIONAL-PAYMENT PROVISIONS

SEC. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

(a) That no child under the age of fourteen years shall have been employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane with respect to which application for payment is made, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed; and that no child between the ages of fourteen and sixteen years shall have been employed or permitted to do such work, whether for gain to such child or any other person, for a longer period than eight hours in any one day, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed. The Secretary is authorized to make payments, notwithstanding a failure to comply with the conditions provided in this subsection, but the payments made with respect to any crop shall be subject to a deduction of \$10 for each child for each day, or a portion of a day, during which such child was employed or permitted to work contrary to the foregoing provisions of this subsection.

[(b) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subsection may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.]

[(c)] (b) That there shall not have been marketed (or processed) an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

[(d) That the producer on the farm who is also, directly or indirectly, a processor of sugar beets or sugarcane, as may be determined by the Secretary, shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

[(e) That there shall have been carried out on the farm such farming practices in connection with the production of sugar beets and sugarcane during the year in which the crop was harvested with respect to which a payment is applied for, as the Secretary may determine, pursuant to this subsection, for preserving and improving fertility of the soil and for preventing soil erosion, such practices to be consistent with the reasonable standards of the farming community in which the farm is situated.

[The conditions provided in subsection (a), and in subsection (b) with respect to wage rates, of this section shall not apply to work performed prior to the enactment of this Act; and the condition provided in subsection (c) of this section shall not apply to the marketing of the first crop harvested after the enactment of this Act from sugar beets or sugarcane planted prior to such enactment.]

SEC. 302. (a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially

recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carry-over inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

(c) Payments shall be effective with respect to sugar or liquid sugar commercially recoverable from sugar beets and sugarcane grown on a farm [and which shall have been marketed (or processed by a producer) on and after July 1, 1937.] *commencing with the crop year 1948.*

SEC. 303. In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302, the Secretary is also authorized to make payments, on the conditions provided in section 301, with respect to bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing area, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) with respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets of sugarcane, the excess of 80 per centum of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary, over the actual yield.

SEC. 304. (a) The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

(b) All payments shall be calculated with respect to a farm which, for the purposes of this Act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and, in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value:	Reduction in the base rate of payment per hundred weight of such portion
350 to 700.....	\$0. 05
700 to 1,000.....	. 10
1,000 to 1,500.....	. 20
1,500 to 3,000.....	. 25
3,000 to 6,000.....	. 275
6,000 to 12,000.....	. 30
12,000 to 30,000.....	. 325
More than 30,000.....	. 50

(d) Application for payment shall be made by, and payments shall be made to, the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however,* That all producers on the farm shall signify in the application for payment the [per centum] *percentage* of the total payment with respect to the farm to be made to each producer: *And provided further,* That payments may be made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer

may designate in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. In carrying out the provisions of titles II and III of this Act, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. The facts constituting the basis for any payment, or the amount thereof authorized to be made under this title, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. This title shall apply to the continental United States, the Territory of Hawaii, Puerto Rico, and the Virgin Islands.

TITLE [V] IV—GENERAL PROVISIONS

SEC. [501] 401. For the purposes of this Act, [except title IV] the Secretary [shall—]

[(a) Appoint and fix the compensation of such officers and employees as he may deem necessary in administering the provisions of this Act: *Provided*, That all such officers and employees, except attorneys, economists, experts, and persons in the employ of the Department of Agriculture on the date of the enactment of this Act, shall be subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended: *And provided further*, That no salary in excess of \$10,000 per annum shall be paid to any such person.] *may* (b) make such expenditures as he deems necessary to carry out the provisions of this Act, including personal services and rents in the District of Columbia and elsewhere[, traveling expenses (including the purchase, maintenance, and repair of passenger-carrying vehicles), supplies and equipment, lawbooks, books of reference, directories, periodicals, and newspapers].

SEC. [502] 402. (a) There is hereby authorized to be appropriated for each fiscal year for the purposes and administration of this Act[, except for allotments in the Philippine Islands as provided in subsection (g) of section 205, a sum not to exceed \$55,000,000] *the funds necessary to make the payments provided for in title III of this Act and such other amounts as the Congress determines to be necessary for such fiscal year to carry out the other provisions of the Act.*

(b) All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this Act.

(c) *The funds made available for the purpose of enabling the Secretary to carry into effect the provisions of the Sugar Act of 1937, as amended, during the fiscal year 1948 are also hereby made available to the Secretary for purposes of administration of the provisions of this Act during the fiscal year 1948.*

[SEC. 503. There is authorized to be appropriated an amount equal to the amount of the taxes collected or accrued under title IV on sugars produced from sugarcane grown in the Commonwealth of the Philippine Islands which are manufactured in or brought into the United States on or prior to June 30, 1947, minus the costs of collecting such taxes and the estimates of amounts of refunds required to be made with respect to such taxes, for transfer to the Government of the Commonwealth of the Philippines for the purpose of financing a program of economic adjustment in the Philippines, the transfer to be made under such terms and conditions as the President of the United States may prescribe: *Provided*, That no part of the appropriations herein authorized shall be paid directly or indirectly for the production or processing of sugarcane in the Philippine Islands.]

SEC. [504] 403. (a) The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this Act. Any person knowingly violating any

order or regulation of the Secretary issued pursuant to this Act shall, upon conviction, be punished by a fine of not more than \$100 for each such violation.

(b) *Each determination issued by the Secretary in connection with quotas and deficits under title II or payments under title III of this Act shall be promptly published in the Federal Register and shall be accompanied by a statement of the bases and considerations upon which such determination was made.*

SEC. [505] 404. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this Act or of any order or regulation made or issued pursuant to this Act. If and when the Secretary shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

SEC. [506] 405. Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (a) of that quantity of sugar or liquid sugar by which any quota, pro-ration, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. [507] 406. All persons engaged in the manufacturing, marketing, or transportation or industrial use of sugar or liquid sugar, and having information which the Secretary deems necessary to enable him to administer the provisions of this Act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than \$1,000 for each such violation.

SEC. [508] 407. No person shall, while acting in any official capacity in the administration of this Act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than two years, or both.

SEC. [509] 408. Whenever pursuant to the provisions of this Act the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation, *except as provided in section 207 of this Act, of all the provisions of title II [or III] above, [which he determines on the basis of such findings should be suspended]* and, thereafter, the operation of [any] such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section.

[SEC. 510. The provisions of the Agricultural Adjustment Act, as amended, shall cease to apply to sugar upon the enactment of this Act, and the provisions of Public Resolution Numbered 109, Seventy-fourth Congress, approved June 19, 1936, are hereby repealed.]

SEC. [511] 409. [In order to facilitate the effectuation of the purposes of this Act, the Secretary is authorized] *Whenever the Secretary determines that such action is necessary to effectuate the purposes of this Act, he is authorized, if first requested by individuals or associations constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area and (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor, producer, or laborer.*

SEC. [512] 410. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this Act and for the benefit of

agriculture generally in any area. Notwithstanding any provision of existing law¹ the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

SEC. [513] 411. The powers vested in the Secretary under this Act shall terminate on December 31, [1947] 1952, except that the Secretary shall have the power to make payments under title III under programs applicable to the crop year [1947] 1952, and previous crop years.

SEC. 412. *The provisions of this Act, except where an earlier effective date is provided for herein, shall become effective January 1, 1948. As provided in section 513 of the Sugar Act of 1937, the powers vested in the Secretary under that Act shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III of that Act under programs thereunder applicable to the crop year 1947 and previous crop years.*

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE¹

CHAPTER 32—SUGAR

SEC. 3507. DEFINITIONS.

(b) MANUFACTURED SUGAR.—The term “manufactured sugar” means any sugar derived from sugar beets or sugarcane, which is not to be, and which shall not be, further refined or otherwise improved in quality; except sugar in liquid form which contains nonsugar solids (excluding any foreign substance that may have been added or developed in the product) equal to more than 6 per centum of the total soluble solids, and except also sirup of cane juice produced from sugarcane grown in continental United States.

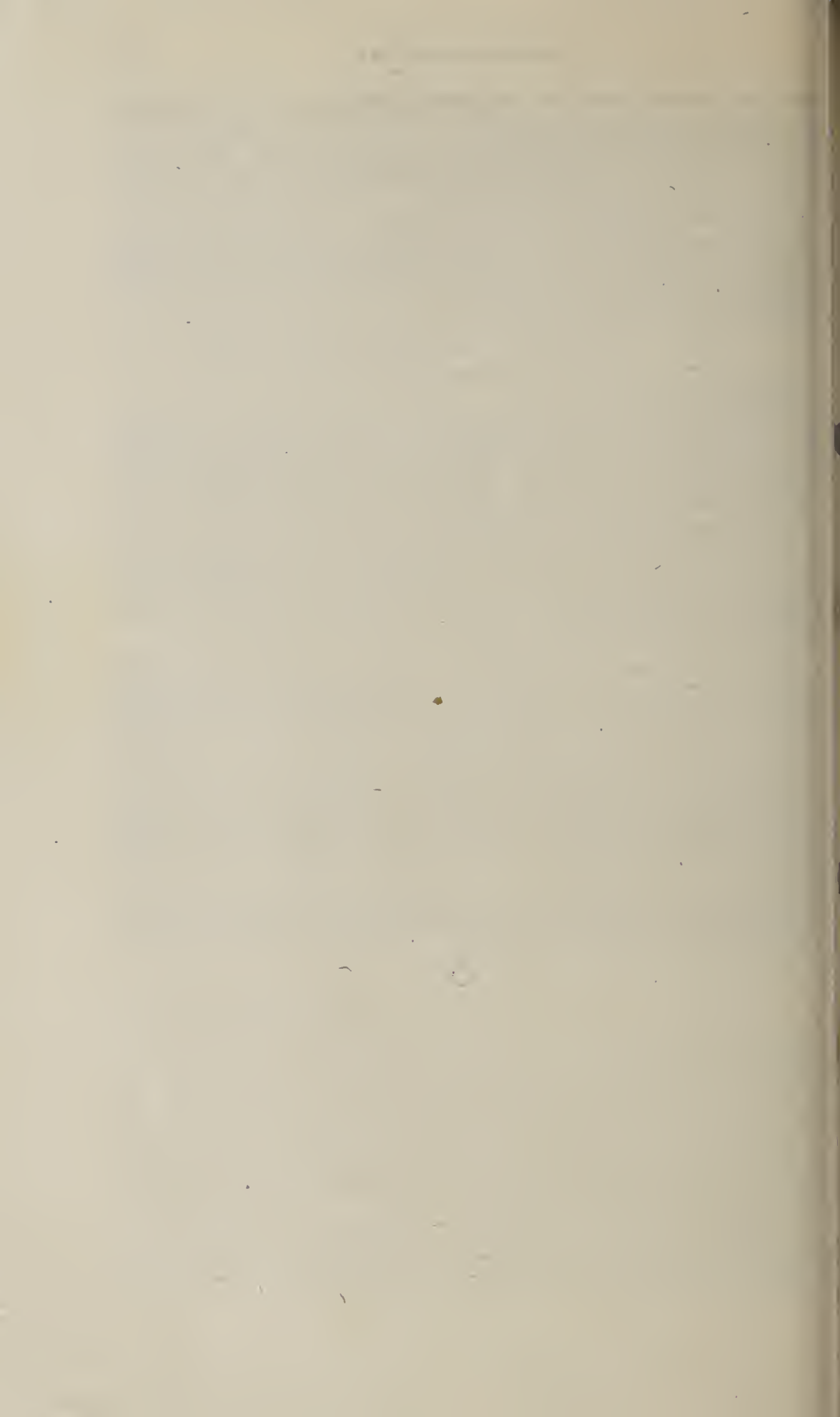
The grades or types of sugar within the meaning of this definition shall include, but shall not be limited to, granulated sugar, lump sugar, cube sugar, powdered sugar, sugar in the form of blocks, cones, or molded shapes, confectioners’ sugar, washed sugar, centrifugal sugar, clarified sugar, turbinado sugar, plantation white sugar, muscovado sugar, refiners’ soft sugar, invert sugar mush, raw sugar, sirups, molasses, and sugar mixtures.

SEC. 3508. TERMINATION OF TAXES.

No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar or articles composed in chief value of sugar after June 30, [1948] 1953. *Notwithstanding the provisions of section 3490 or 3500, no tax shall be imposed under this chapter with respect to unsold sugar held by a manufacturer on June 30, 1953, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date.*

With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 3500 has been paid and which, on June 30, 1953, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer, subject to such regulations as may be prescribed by the Commissioner of Customs with the approval of the Secretary, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar.

¹ The provisions of sec. 501 (a) and (b) of the bill amending sections 3507 and 3508, respectively, of the Internal Revenue Code are to become effective under the provisions of sec. 501 (c) of the bill upon the first day of the second month following the date of the enactment of the Sugar Act of 1948.



Calendar No. 608

80TH CONGRESS
1ST SESSION

H. R. 4075

[Report No. 578]

IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, JULY 10), 1947

Read twice and referred to the Committee on Finance

JULY 17 (legislative day, JULY 16), 1947

Reported by MR. MILLIKIN, with an amendment

[Insert the part printed in italic]

AN ACT

To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Sugar Act of 1948".

4 TITLE I—DEFINITIONS

5 SEC. 101. For the purposes of this Act, except title V—

6 (a) The term "person" means an individual partner-
7 ship, corporation, or association.

1 (b) The term "sugars" means any grade or type of
2 saccharine product derived from sugarcane or sugar beets,
3 which contains sucrose, dextrose, or levulose.

4 (c) The term "sugar" means raw sugar or direct-con-
5 sumption sugar.

6 (d) The term "raw sugar" means any sugars which are
7 principally of crystalline structure and which are to be fur-
8 ther refined or improved in quality, and any sugars which
9 are principally not of crystalline structure, but which are to
10 be further refined or otherwise improved in quality to pro-
11 duce any sugars principally of crystalline structure.

12 (e) The term "direct-consumption sugar" means any
13 sugars which are principally of crystalline structure and
14 which are not to be further refined or otherwise improved
15 in quality.

16 (f) The term "liquid sugar" means any sugars (ex-
17 clusive of sirup of cane juice produced from sugarcane grown
18 in continental United States) which are principally not of
19 crystalline structure and which contain, or which are to
20 be used for the production of any sugars principally not
21 of crystalline structure which contain, soluble nonsugar solids
22 (excluding any foreign substances that may have been
23 added or developed in the product) equal to 6 per centum
24 or less of the total soluble solids.

1 (g) Sugars in dry amorphous form shall be considered
2 to be principally of crystalline structure.

3 (h) The "raw value" of any quantity of sugars means
4 its equivalent in terms of ordinary commercial raw sugar
5 testing ninety-six sugar degrees by the polariscope, deter-
6 mined in accordance with regulations to be issued by the
7 Secretary. The principal grades and types of sugar and
8 liquid sugar shall be translated into terms of raw value in
9 the following manner:

10 (1) For direct-consumption sugar, derived from sugar
11 beets and testing ninety-two or more sugar degrees by the
12 polariscope, by multiplying the number of pounds thereof
13 by 1.07;

14 (2) For sugar, derived from sugarcane and testing
15 ninety-two sugar degrees by the polariscope, by multiplying
16 the number of pounds thereof by 0.93;

17 (3) For sugar, derived from sugarcane and testing
18 more than ninety-two sugar degrees by the polariscope, by
19 multiplying the number of pounds thereof by the figure
20 obtained by adding to 0.93 the result of multiplying 0.0175
21 by the number of degrees and fractions of a degree of polar-
22 ization above ninety-two degrees;

23 (4) For sugar and liquid sugar, testing less than ninety-
24 two sugar degrees by the polariscope, by dividing the num-
25 ber of pounds of the "total sugar content" thereof by 0.972.

1 (5) The Secretary may establish rates for translating
2 sugar and liquid sugar into terms of raw value for (a) any
3 grade or type of sugar or liquid sugar not provided for in
4 the foregoing and (b) any special grade or type of sugar
5 or liquid sugar for which he determines that the raw value
6 cannot be measured adequately under the provisions of para-
7 graphs (1) to (4), inclusive, of this subsection (h).

8 (i) The term "total sugar content" means the sum of
9 the sucrose (Clerget) and reducing or invert sugars con-
10 tained in any grade or type of sugar or liquid sugar.

11 (j) The term "quota", depending upon the context,
12 means (1) that quantity of sugar or liquid sugar which may
13 be brought or imported into the continental United States,
14 for consumption therein, during any calendar year, from the
15 Territory of Hawaii, Puerto Rico, the Virgin Islands, or a
16 foreign country or group of foreign countries; (2) that
17 quantity of sugar or liquid sugar produced from sugar beets
18 or sugarcane grown in the continental United States which,
19 during any calendar year, may be shipped, transported, or
20 marketed in interstate commerce, or in competition with
21 sugar or liquid sugar shipped, transported, or marketed in
22 interstate or foreign commerce; or (3) that quantity of
23 sugar or liquid sugar which may be marketed in the Territory
24 of Hawaii or in Puerto Rico, for consumption therein, during
25 any calendar year.

1 (k) The term "producer" means a person who is the
2 legal owner, at the time of harvest or abandonment, of a por
3 tion or all of a crop of sugar beets or sugarcane grown on a
4 farm for the extraction of sugar or liquid sugar.

5 (l) The terms "including" and "include" shall not
6 be deemed to exclude anything not mentioned but otherwise
7 within the meaning of the term defined.

8 (m) The term "Secretary" means the Secretary of
9 Agriculture.

10 TITLE II—QUOTA PROVISIONS

11 SEC. 201. The Secretary shall determine for each
12 calendar year, beginning with the calendar year 1948, the
13 amount of sugar needed to meet the requirements of con-
14 sumers in the continental United States; such determina-
15 tions shall be made during the month of December in each
16 year for the succeeding calendar year (in the case of the
17 calendar year 1948, during the first ten days thereof) and
18 at such other times during such calendar year as the Secre-
19 tary may deem necessary to meet such requirements. In
20 making such determinations the Secretary shall use as a
21 basis the quantity of direct-consumption sugar distributed
22 for consumption, as indicated by official statistics of the
23 Department of Agriculture, during the twelve-month period
24 ending October 31 next preceding the calendar year for
25 which the determination is being made, and shall make

1 allowances for a deficiency or surplus in inventories of
2 sugar, and for changes in consumption because of changes
3 in population and demand conditions, as computed from
4 statistics published by agencies of the Federal Government;
5 and, in order that such determinations shall be made so as
6 to protect the welfare of consumers and of those engaged
7 in the domestic sugar industry by providing such supply of
8 sugar as will be consumed at prices which will not be ex-
9 cessive to consumers and which will fairly and equitably
10 maintain and protect the welfare of the domestic sugar in-
11 dustry, the Secretary, in making any such determination,
12 in addition to the consumption, inventory, population, and
13 demand factors above specified and the level and trend of
14 consumer purchasing power, shall take into consideration
15 the relationship between the prices at wholesale for refined
16 sugar that would result from such determination and the
17 general cost of living in the United States as compared with
18 the relationship between prices at wholesale for refined
19 sugar and the general cost of living in the United States
20 obtaining during 1947 prior to the termination of price
21 control of sugar as indicated by the Consumers' Price Index
22 as published by the Bureau of Labor Statistics of the De-
23 partment of Labor.

24 SEC. 202. Whenever a determination is made, pursuant
25 to section 201, of the amount of sugar needed to meet the

1 requirements of consumers, the Secretary shall establish
 2 quotas, or revise existing quotas—

3 (a) For domestic sugar-producing areas, by apportion-
 4 ing among such areas 4,268,000 short tons, raw value, as
 5 follows:

Area	Short tons, raw value
Domestic beet sugar-----	1, 800, 000
Mainland cane sugar-----	500, 000
Hawaii-----	1, 052, 000
Puerto Rico-----	910, 000
Virgin Islands -----	6, 000

6 (b) For the Republic of the Philippines, in the amount
 7 of nine hundred and fifty-two thousand short tons of sugar as
 8 specified in section 211 of the Philippine Trade Act of 1946.

9 (c) For foreign countries other than the Republic of
 10 the Philippines, by prorating among such areas an amount
 11 of sugar, raw value, equal to the amount determined pursuant
 12 to section 201 less the sum of the quotas established pursuant
 13 to subsections (a) and (b) of this section, on the following
 14 basis:

Area	Per centum
Cuba-----	98. 64
Foreign countries other than Cuba and the Republic of the Philippines-----	1. 36

15 The quota for foreign countries other than Cuba and
 16 the Republic of the Philippines shall be prorated among
 17 such countries on the basis of the division of the quota for
 18 such countries made in General Sugar Quota Regulations.
 19 Series 4, Number 1, issued December 12, 1936, pursuant
 20 to the Agricultural Adjustment Act, as amended.

1 (d) Notwithstanding the other provisions of this title
2 II, in the event the quota established for Cuba, including any
3 and all deficits allotted or prorated to Cuba pursuant to the
4 provisions of section 204 (a), shall be a smaller proportion
5 of the total amount of sugar which the Secretary determines
6 is needed to meet the requirements of consumers in the
7 continental United States pursuant to section 201 of this Act,
8 than the quota which would have been established for Cuba
9 upon such consumptive estimate under the provisions of
10 section 202 (b) of the Sugar Act of 1937, the quotas for
11 domestic sugar-producing areas established pursuant to the
12 other provisions of this title II shall be reduced pro rata
13 by such amounts as are required to establish such quota for
14 Cuba and the amounts by which such domestic sugar-pro-
15 ducing quotas are so reduced shall be added to the quota
16 for Cuba.

17 (e) If the Secretary of State finds that any foreign
18 country denies fair and equitable treatment to the nationals
19 of the United States, its commerce, navigation, or industry,
20 and so notifies the Secretary, the Secretary shall have au-
21 thority to withhold or withdraw any increase in the share
22 of the domestic consumption requirements provided for
23 such country by this Act as compared with the share
24 allowed under section 202 (b) of the Sugar Act of 1937:
25 *Provided, That any amount of sugar so withheld or with-*

1 drawn shall be prorated to domestic areas on the basis of
2 existing quotas for such areas and the Secretary shall revise
3 such quotas accordingly: *Provided further*, That any portion
4 of such amount of sugar which cannot be supplied by
5 domestic areas may be prorated to foreign countries other
6 than a country which the Secretary of State finds has denied
7 fair and equitable treatment to nationals of the United States.

8 SEC. 203. In accordance with such provisions of section
9 201 as he deems applicable, the Secretary shall also deter-
10 mine the amount of sugar needed to meet the requirements
11 of consumers in the Territory of Hawaii, and in Puerto Rico,
12 and shall establish quotas for the amounts of sugar which
13 may be marketed for local consumption in such areas equal
14 to the amounts determined to be needed to meet the require-
15 ments of consumers therein.

16 SEC. 204. (a) The Secretary shall, from time to time
17 during the calendar year, determine whether, in view of the
18 current inventories of sugar, the estimated production from
19 the acreage of sugarcane or sugar beets planted, the normal
20 marketings within a calendar year of new-crop sugar, and
21 other pertinent factors, any domestic area, the Republic of
22 the Philippines, or Cuba, will be unable to market the quota
23 for such area. If the Secretary finds that any domestic area
24 or Cuba will be unable to market the quota for such area for

1 the calendar year then current, he shall revise the quotas for
 2 the domestic areas and Cuba by prorating an amount of sugar
 3 equal to the deficit so determined to the other such areas on
 4 the basis of the quotas then in effect: *Provided, however,*
 5 That domestic areas shall not share in any deficit of any do-
 6 mestic area if the then outstanding determination of the Sec-
 7 retary made pursuant to section 201 of the Act is less than
 8 seven million short tons, raw value. If the Secretary finds
 9 that the Republic of the Philippines will be unable to market
 10 the quota for such area for the calendar year then current, he
 11 shall revise the quotas for Cuba and foreign countries other
 12 than Cuba and the Republic of the Philippines by prorating
 13 an amount of sugar equal to the deficit so determined, as
 14 follows:

To Cuba.....	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	5 per centum

15 *Provided, however,* That whenever the quota for Cuba estab-
 16 lished under the provisions of this Act other than section
 17 202 (d) is less than the amount required by the provisions
 18 of section 202 (d) of this Act, such prorations shall be as
 19 follows:

To Cuba	98.64 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	1.36 per centum

20 Any portion of such Philippine deficit which the Secretary
 21 determines cannot be supplied by Cuba shall be prorated to

1 foreign countries other than Cuba and the Republic of the
2 Philippines. No part of any Philippine deficit so prorated
3 may be filled by direct-consumption sugar.

4 (b) If, on the 1st day of September in any calendar
5 year, any part or all of the proration to any foreign country
6 of the quota for foreign countries other than Cuba and the
7 Republic of the Philippines established under the provisions
8 of section 202 (c) has not been filled, the Secretary may
9 revise the proration of such quota among such foreign coun-
10 tries by allotting an amount of sugar equal to such unfilled
11 proration to such foreign countries as have filled their
12 prorations of such quota by such date.

13 (c) The quota for any domestic area, the Republic of
14 the Philippines, Cuba, or other foreign countries as estab-
15 lished under the provisions of section 202 shall not be reduced
16 by reason of any determination of a deficit existing in any
17 calendar year under the provisions of subsections (a) and
18 (b) of this section 204.

19 (d) Any proration among foreign countries other than
20 Cuba and the Republic of the Philippines pursuant to this
21 section shall be on such basis as the Secretary shall determine.

22 SEC. 205. (a) Whenever the Secretary finds that the
23 allotment of any quota, or proration thereof, established for
24 any area pursuant to the provisions of this Act, is necessary
25 to assure an orderly and adequate flow of sugar or liquid

1 sugar in the channels of interstate or foreign commerce, or
2 to prevent disorderly marketing or importation of sugar or
3 liquid sugar, or to maintain a continuous and stable supply
4 of sugar or liquid sugar, or to afford all interested persons
5 an equitable opportunity to market sugar or liquid sugar
6 within any area's quota, after such hearing and upon such
7 notice as he may by regulations prescribe, he shall make al-
8 lotments of such quota or proration thereof by allotting to
9 persons who market or import sugar or liquid sugar, for
10 such periods as he may designate, the quantities of sugar
11 or liquid sugar which each such person may market in
12 continental United States, the Territory of Hawaii, or Puerto
13 Rico, or may import or bring into continental United States,
14 for consumption therein. Allotments shall be made in such
15 manner and in such amounts as to provide a fair, efficient,
16 and equitable distribution of such quota or proration thereof,
17 by taking into consideration the processings of sugar or
18 liquid sugar from sugar beets or sugarcane to which propor-
19 tionate shares, determined pursuant to the provisions of
20 subsection (b) of section 302, pertained; the past market-
21 ings or importations of each such person; and the ability
22 of such person to market or import that portion of such
23 quota or proration thereof allotted to him. The Secretary
24 may also, upon such hearing and notice as he may by

1 regulations prescribe, revise or amend any such allotment
2 upon the same basis as the initial allotment was made.

3 (b) An appeal may be taken, in the manner here-
4 inafter provided from any decision making such allotments,
5 or revisions thereof, to the United States Court of Appeals
6 for the District of Columbia in any of the following cases:

7 (1) By any applicant for an allotment whose applica-
8 tion shall have been denied.

9 (2) By any person aggrieved by reason of any decision
10 of the Secretary granting or revising any allotment made
11 to him.

12 (c) Such appeal shall be taken by filing with said court,
13 within twenty days after the decision complained of is effec-
14 tive, notice in writing of said appeal and a statement of the
15 reasons therefor, together with proof of service of a true copy
16 of said notice and statement upon the Secretary. Unless a
17 later date is specified by the Secretary as part of his decision,
18 the decision complained of shall be considered to be effective
19 as of the date on which public announcement of the decision
20 is made at the office of the Secretary in the city of Washing-
21 ton. The Secretary shall thereupon, and in any event not
22 later than ten days from the date of such service upon him,
23 mail or otherwise deliver a copy of said notice of appeal to
24 each person shown by the records of the Secretary to be

1 interested in such appeal and to have a right to intervene
2 therein under the provisions of this section, and shall at all
3 times thereafter permit any such person to inspect and make
4 copies of appellants' reasons for said appeal at the office of
5 the Secretary in the city of Washington. Within thirty days
6 after the filing of said appeal the Secretary shall file with the
7 court the originals or certified copies of all papers and evi-
8 dence presented to him upon the hearing involved, a like
9 copy of his decision thereon, a full statement in writing of
10 the facts and grounds for his decisions as found and given
11 by him and a list of all interested persons to whom he has
12 mailed or otherwise delivered a copy of said notice of appeal.

13 (d) Within thirty days after the filing of said appeal
14 any interested person may intervene and participate in the
15 proceedings had upon said appeal by filing with the court a
16 notice of intention to intervene and a verified statement
17 showing the nature of the interest of such party together
18 with proof of service of true copies of said notice and state-
19 ment, both upon the appellant and upon the Secretary. Any
20 person who would be aggrieved or whose interests would
21 be adversely affected by reversal or modification of the de-
22 cision of the Secretary complained of shall be considered an
23 interested party.

24 (e) At the earliest convenient time the court shall
25 hear and determine the appeal upon the record before it,

1 and shall have power, upon such record, to enter a judgment
2 affirming or reversing the decision, and if it enters an order
3 reversing the decision of the Secretary it shall remand the
4 case to the Secretary to carry out the judgment of the
5 court: *Provided, however,* That the review by the court
6 shall be limited to questions of law and that findings of fact
7 by the Secretary, if supported by substantial evidence, shall
8 be conclusive unless it shall clearly appear that the findings
9 of the Secretary are arbitrary or capricious. The court's
10 judgment shall be final, subject, however, to review by the
11 Supreme Court of the United States, upon writ of certiorari
12 on petition therefor, under section 240 of the Judicial Code,
13 as amended (U. S. C., title 28, sec. 347), by appellant,
14 by the Secretary, or by any interested party intervening in
15 the appeal.

16 (f) The court may, in its discretion, enter judgment
17 for costs in favor of or against an appellant, and other
18 interested parties intervening in said appeal, but not against
19 the Secretary, depending upon the nature of the issues in-
20 volved in such appeal and the outcome thereof.

21 SEC. 206. Subject to the provisions of sections 207 and
22 408 relating to the suspension of quotas, sugar quotas shall
23 be established pursuant to this Act for the calendar year 1948
24 within ten days after effective date of this Act.

25 SEC. 207. (a) Not more than twenty-nine thousand

1 six hundred and sixteen short tons, raw value, of the quota
2 for Hawaii for any calendar year may be filled by direct-
3 consumption sugar.

4 (b) Not more than one hundred and twenty-six thou-
5 sand and thirty-three short tons, raw value, of the quota for
6 Puerto Rico for any calendar year may be filled by direct-
7 consumption sugar.

8 (c) None of the quota for the Virgin Islands for any
9 calendar year may be filled by direct-consumption sugar.

10 (d) Not more than fifty-six thousand short tons of sugar
11 of the quota for the Republic of the Philippines for any
12 calendar year may be filled by direct-consumption sugar
13 as specified in section 211 of the Philippine Trade Act of
14 1946.

15 (e) Not more than three hundred and seventy-five
16 thousand short tons, raw value, of the quota for Cuba for
17 any calendar year may be filled by direct-consumption sugar.

18 (f) This section shall not apply with respect to the
19 quotas established under section 203 for marketing for local
20 consumption in Hawaii and Puerto Rico.

21 (g) The direct-consumption portions of the quotas
22 established pursuant to this section, and the enforcement
23 provisions of title II applicable thereto, shall continue in
24 effect and shall not be subject to suspension pursuant to the
25 provisions of section 408 of this Act unless the President

1 acting thereunder specifically finds and proclaims that a
 2 national economic or other emergency exists with respect
 3 to sugar or liquid sugar which requires the suspension of
 4 direct-consumption portions of the quotas.

5 SEC. 208. Quotas for liquid sugar for foreign countries
 6 for each calendar year are hereby established as follows:

Country	In terms of wine gallons of 72% total sugar content
Cuba -----	7, 970, 558
Dominican Republic -----	830, 894
Other foreign countries -----	0

7 SEC. 209. All persons are hereby prohibited—

8 (a) From bringing or importing into the continental
 9 United States from the Territory of Hawaii, Puerto Rico,
 10 the Virgin Islands, or foreign countries, (1) any sugar or
 11 liquid sugar after the applicable quota, or the proration of
 12 any such quota, has been filled, or (2) any direct-con-
 13 sumption sugar after the direct-consumption portion of any
 14 such quota has been filled;

15 (b) From shipping, transporting, or marketing in in-
 16 terstate commerce, or in competition with sugar or liquid
 17 sugar shipped, transported, or marketed in interstate or
 18 foreign commerce, any sugar or liquid sugar produced from
 19 sugar beets or sugarcane grown in either the domestic-beet-
 20 sugar area or the mainland cane-sugar area after the quota
 21 for such area has been filled;

22 (c) From marketing in either the Territory of Hawaii

1 or Puerto Rico, for consumption therein, any sugar or liquid
2 sugar after the quota therefor has been filled;

3 (d) From exceeding allotments of any quota, direct-
4 consumption portion of any quota, or proration of any
5 quota, made to them pursuant to the provisions of this Act.

6 SEC. 210. (a) The determinations provided for in sec-
7 tions 201 and 203, and all quotas, prorations, and allot-
8 ments, except quotas established pursuant to the provisions
9 of section 208, shall be made or established in terms of raw
10 value.

11 (b) For the purposes of this title, liquid sugar, except
12 that imported from foreign countries, shall be included with
13 sugar in making the determinations provided for in sec-
14 tions 201 and 203 and in the establishment or revision of
15 quotas, prorations, and allotments.

16 SEC. 211. (a) The raw-value equivalent of any sugar
17 or liquid sugar in any form, including sugar or liquid sugar
18 in manufactured products, exported from the continental
19 United States under the provisions of section 313 of the
20 Tariff Act of 1930 shall be credited against any charges
21 which shall have been made in respect to the applicable
22 quota or proration for the country of origin. The country
23 of origin of sugar or liquid sugar in respect to which any
24 credit shall be established shall be that country in respect
25 to importation from which draw-back of the exported sugar

1 or liquid sugar has been claimed. Sugar or liquid sugar
2 entered into the continental United States under an appli-
3 cable bond established pursuant to orders or regulations
4 issued by the Secretary, for the express purpose of subse-
5 quently exporting the equivalent quantity of sugar or liquid
6 sugar as such, or in manufactured articles, shall not be
7 charged against the applicable quota or proration for the
8 country of origin.

9 (b) Exportation within the meaning of sections 309
10 and 313 of the Tariff Act of 1930 shall be considered to be
11 exportation within the meaning of this section.

12 (c) The quota established for any domestic sugar-
13 producing area may be filled only with sugar or liquid sugar
14 produced from sugar beets or sugarcane grown in such area:
15 *Provided, however,* That any sugar or liquid sugar admitted
16 free of duty from the Virgin Islands under the Act of Con-
17 gress, approved March 3, 1917 (39 Stat. 1133), may be
18 admitted within the quota for the Virgin Islands.

19 SEC. 212. The provisions of this title shall not apply to
20 (1) the first ten short tons, raw value, of sugar or liquid
21 sugar imported from any foreign country, other than Cuba
22 and the Republic of the Philippines, in any calendar year;
23 (2) the first ten short tons, raw value, of sugar or liquid
24 sugar imported from any foreign country, other than Cuba
25 and the Republic of the Philippines, in any calendar year

1 for religious, sacramental, educational, or experimental pur-
2 poses; (3) liquid sugar imported from any foreign coun-
3 try, other than Cuba and the Republic of the Philippines,
4 in individual sealed containers of such capacity as the Secre-
5 tary may determine, not in excess of one and one-tenth
6 gallons each; or (4) any sugar or liquid sugar imported,
7 brought into, or produced or manufactured in the United
8 States for the distillation of alcohol, or for livestock feed,
9 or for the production of livestock feed.

10 TITLE III—CONDITIONAL-PAYMENT

11 PROVISIONS

12 SEC. 301. The Secretary is authorized to make pay-
13 ments on the following conditions with respect to sugar or
14 liquid sugar commercially recoverable from the sugar beets
15 or sugarcane grown on a farm for the extraction of sugar
16 or liquid sugar:

17 (a) That no child under the age of fourteen years shall
18 have been employed or permitted to work on the farm,
19 whether for gain to such child or any other person, in the
20 production, cultivation, or harvesting of a crop of sugar
21 beets or sugarcane with respect to which application for
22 payment is made, except a member of the immediate family
23 of a person who was the legal owner of not less than 40
24 per centum of the crop at the time such work was per-
25 formed; and that no child between the ages of fourteen and

1 sixteen years shall have been employed or permitted to do
2 such work, whether for gain to such child or any other per-
3 son, for a longer period than eight hours in any one day,
4 except a member of the immediate family of a person who
5 was the legal owner of not less than 40 per centum of the
6 crop at the time such work was performed. The Secretary
7 is authorized to make payments, notwithstanding a failure
8 to comply with the conditions provided in this subsection,
9 but the payments made with respect to any crop shall be
10 subject to a deduction of \$10 for each child for each day,
11 or a portion of a day, during which such child was employed
12 or permitted to work contrary to the foregoing provisions
13 of this subsection.

14 (b) That there shall not have been marketed (or
15 processed) an amount (in terms of planted acreage, weight,
16 or recoverable sugar content) of sugar beets or sugarcane
17 grown on the farm and used for the production of sugar or
18 liquid sugar to be marketed in, or so as to compete with or
19 otherwise directly affect interstate or foreign commerce, in
20 excess of the proportionate share for the farm, as determined
21 by the Secretary pursuant to the provisions of section 302,
22 of the total quantity of sugar beets or sugarcane required to
23 be processed to enable the area in which such sugar beets
24 or sugarcane are produced to meet the quota (and provide a
25 normal carry-over inventory) as estimated by the Secretary

1 for such area for the calendar year during which the larger
2 part of the sugar or liquid sugar from such crop normally
3 would be marketed.

4 (c) (1) That all persons employed on the farm in the
5 production, cultivation, or harvesting of sugar beets or
6 sugarcane with respect to which an application for payment
7 is made shall have been paid in full for all such work, and
8 shall have been paid wages therefor at rates not less than
9 those that may be determined by the Secretary to be fair and
10 reasonable after investigation and due notice and opportunity
11 for public hearing; and in making such determinations the
12 Secretary shall take into consideration the standards therefor
13 formerly established by him under the Agricultural Adjust-
14 ment Act, as amended, and the differences in conditions
15 among various producing areas: *Provided, however,* That
16 a payment which would be payable except for the foregoing
17 provisions of this subparagraph may be made, as the Secre-
18 tary may determine, in such manner that the laborer will
19 receive an amount, insofar as such payment will suffice,
20 equal to the amount of the accrued unpaid wages for such
21 work, and that the producer will receive the remainder, if
22 any, of such payment.

23 (2) That the producer on the farm who is also, directly
24 or indirectly a processor of sugar beets or sugarcane, as may
25 be determined by the Secretary shall have paid, or con-

1 tracted to pay under either purchase or toll agreements,
2 for any sugar beets or sugarcane grown by other producers
3 and processed by him at rates not less than those that may
4 be determined by the Secretary to be fair and reasonable
5 after investigation and due notice and opportunity for public
6 hearing.

7 *(3) Subparagraphs (1) and (2) of this subsection (c)*
8 *shall apply, and the Secretary shall make determinations*
9 *thereunder, with respect to any domestic sugar-producing*
10 *area only (i) if producers in such area, who are also*
11 *processors, produce in excess of 5 per centum of the total*
12 *production of sugar beets or sugarcane in such area, and also*
13 *(ii) if request for such determinations is first made by*
14 *persons constituting, or representing, a substantial propor-*
15 *tion of the producers, processors, or laborers in such area*
16 *who would be affected by such determinations: Provided,*
17 *however, That in the case of the mainland cane-sugar area,*
18 *the provisions of this subsection (c) shall apply separately*
19 *to the States of Florida and Louisiana.*

20 SEC. 302. (a) The amount of sugar or liquid sugar
21 with respect to which payment may be made shall be the
22 amount of sugar or liquid sugar commercially recoverable,
23 as determined by the Secretary, from the sugar beets or
24 sugarcane grown on the farm and marketed (or processed by
25 the producer) not in excess of the proportionate share for the

1 farm, as determined by the Secretary, of the quantity of
2 sugar beets or sugarcane for the extraction of sugar or liquid
3 sugar required to be processed to enable the producing area
4 in which the crop of sugar beets or sugarcane is grown to
5 meet the quota (and provide a normal carry-over inventory)
6 estimated by the Secretary for such area for the calendar year
7 during which the larger part of the sugar or liquid sugar from
8 such crop normally would be marketed.

9 (b) In determining the proportionate shares with re-
10 spect to a farm, the Secretary may take into consideration
11 the past production on the farm of sugar beets and sugarcane
12 marketed (or processed) for the extraction of sugar or liquid
13 sugar and the ability to produce such sugar beets or sugar-
14 cane, and the Secretary shall, insofar as practicable, protect
15 the interests of new producers and small producers and the
16 interests of producers who are cash tenants, share tenants,
17 adherent planters, or share croppers.

18 (c) Payments shall be effective with respect to sugar
19 or liquid sugar commercially recoverable from sugar beets
20 and sugarcane grown on a farm commencing with the crop
21 year 1948.

22 SEC. 303. In addition to the amount of sugar or liquid
23 sugar with respect to which payments are authorized under
24 subsection (a) of section 302, the Secretary is also author-
25 ized to make payments, on the conditions provided in section

1 301, with respect to bona fide abandonment of planted acre-
2 age and crop deficiencies of harvested acreage, resulting from
3 drought, flood, storm, freeze, disease, or insects, which cause
4 such damage to all or a substantial part of the crop of sugar
5 beets or sugarcane in the same factory district (as established
6 by the Secretary), county, parish, municipality, or local pro-
7 ducing area, as determined in accordance with regulations
8 issued by the Secretary, on the following quantities of sugar
9 or liquid sugar: (1) With respect to such bona fide abandon-
10 ment of each planted acre of sugar beets or sugarcane, one-
11 third of the normal yield of commercially recoverable sugar
12 or liquid sugar per acre for the farm, as determined by the
13 Secretary; and (2) with respect to such crop deficiencies of
14 harvested acreage of sugar beets or sugarcane, the excess of
15 80 per centum of the normal yield of commercially recover-
16 able sugar or liquid sugar for such acreage for the farm, as
17 determined by the Secretary, over the actual yield.

18 SEC. 304. (a) The amount of the base rate of payment
19 shall be 80 cents per hundred pounds of sugar or liquid
20 sugar, raw value.

21 (b) All payments shall be calculated with respect to
22 a farm which, for the purposes of this Act, shall be a farm-
23 ing unit as determined in accordance with regulations issued
24 by the Secretary, and in making such determinations, the
25 Secretary shall take into consideration the use of common

1 work stock, equipment, labor, management, and other per-
2 tinent factors.

3 (c) The total payment with respect to a farm shall be
4 the product of the base rate specified in subsection (a) of
5 this section multiplied by the amount of sugar and liquid
6 sugar, raw value, with respect to which payment is to be
7 made, except that reduction shall be made from such total
8 payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following in- tervals of short tons, raw value	Reduction in the base rate of payment per hundred- weight of such portion
350 to 700-----	\$0.05
700 to 1,000-----	.10
1,000 to 1,500-----	.20
1,500 to 3,000-----	.25
3,000 to 6,000-----	.275
6,000 to 12,000-----	.30
12,000 to 30,000-----	.325
More than 30,000-----	.50

9 (d) Application for payment shall be made by, and
10 payments shall be made to, the producer or, in the event
11 of his death, disappearance, or incompetency, his legal
12 representative, or heirs: *Provided, however,* That all pro-
13 ducers on the farm shall signify in the application for pay-
14 ment the percentage of the total payment with respect to
15 the farm to be made to each producer: *And provided further,*
16 That payments may be made, (1) in the event of the
17 death, disappearance, or incompetency of a producer, to
18 such beneficiary as the producer may designate in the
19 application for payment; (2) to one producer of a group of

1 two or more producers, provided all producers on the farm
2 designate such producer in the application for payment as
3 sole recipient for their benefit of the payment with respect
4 to the farm; or (3) to a person who is not a producer, pro-
5 vided such person controls the land included within the
6 farm with respect to which the application for payment is
7 made and is designated by the sole producer (or all pro-
8 ducers) on the farm, as sole recipient for his or their benefit,
9 of the payment with respect to the farm.

10 SEC. 305. In carrying out the provisions of titles II
11 and III of this Act, the Secretary is authorized to utilize
12 local committees of sugar beet or sugarcane producers, State
13 and county agricultural conservation committees, or the
14 Agricultural Extension Service and other agencies, and the
15 Secretary may prescribe that all or a part of the expenses of
16 such committees may be deducted from the payments herein
17 authorized.

18 SEC. 306. The facts constituting the basis for any pay-
19 ment, or the amount thereof authorized to be made under
20 this title, officially determined in conformity with rules or
21 regulations prescribed by the Secretary, shall be reviewable
22 only by the Secretary, and his determinations with respect
23 thereto shall be final and conclusive.

24 SEC. 307. This title shall apply to the continental United

1 States, the Territory of Hawaii, Puerto Rico, and the
2 Virgin Islands.

3 TITLE IV—GENERAL PROVISIONS

4 SEC. 401. For the purposes of this Act, the Secretary
5 may make such expenditures as he deems necessary to carry
6 out the provisions of this Act, including personal services
7 and rents in the District of Columbia and elsewhere.

8 SEC. 402. (a) There is hereby authorized to be appro-
9 priated for each fiscal year for the purposes and administra-
10 tion of this Act the funds necessary to make the payments
11 provided for in title III of this Act and such other amounts
12 as the Congress determines to be necessary for such fiscal
13 year to carry out the other provisions of the Act.

14 (b) All funds available for carrying out this Act shall
15 be available for allotment to the bureaus and offices of the
16 Department of Agriculture and for transfer to such other
17 agencies of the Federal Government as the Secretary may
18 request to cooperate or assist in carrying out the provisions
19 of this Act.

20 (c) The funds made available for the purpose of
21 enabling the Secretary to carry into effect the provisions
22 of the Sugar Act of 1937, as amended, during the fiscal
23 year 1948 are also hereby made available to the Secretary
24 for purposes of administration of the provisions of this Act
25 during the fiscal year 1948.

1 SEC. 403. (a) The Secretary is authorized to make such
2 orders or regulations, which shall have the force and effect
3 of law, as may be necessary to carry out the powers vested
4 in him by this Act. Any person knowingly violating any
5 order or regulation of the Secretary issued pursuant to this
6 Act shall, upon conviction, be punished by a fine of not more
7 than \$100 for each such violation.

8 (b) Each determination issued by the Secretary in con-
9 nection with quotas and deficits under title II or payments
10 under title III of this Act shall be promptly published in the
11 Federal Register and shall be accompanied by a statement
12 of the bases and considerations upon which such determina-
13 tion was made.

14 SEC. 404. The several district courts of the United
15 States are hereby vested with jurisdiction specifically to en-
16 force, and to prevent and restrain any person from violating,
17 the provisions of this Act or of any order or regulation made
18 or issued pursuant to this Act. If and when the Secretary
19 shall so request, it shall be the duty of the several district
20 attorneys of the United States, in their respective districts,
21 to institute proceedings to enforce the remedies and to collect
22 the penalties and forfeitures provided for in this Act. The
23 remedies provided for in this Act shall be in addition to, and
24 not exclusive of, any of the remedies or penalties existing at
25 law or in equity.

1 SEC. 405. Any person who knowingly violates, or at-
2 tempts to violate, or who knowingly participates or aids
3 in the violation of, any of the provisions of section 209, or
4 any person who brings or imports into the continental United
5 States direct-consumption sugar after the quantities specified
6 in section 207 have been filled, shall forfeit to the United
7 States the sum equal to three times the market value, at
8 the time of the commission of any such act, (a) of that
9 quantity of sugar or liquid sugar by which any quota, pro-
10 ration, or allotment is exceeded, or (b) of that quantity
11 brought or imported into the continental United States after
12 the quantities specified in section 207 have been filled, which
13 forfeiture shall be recoverable in a civil suit brought in the
14 name of the United States.

15 SEC. 406. All persons engaged in the manufacturing,
16 marketing, or transportation or industrial use of sugar or
17 liquid sugar, and having information which the Secretary
18 deems necessary to enable him to administer the provisions
19 of this Act, shall, upon the request of the Secretary, fur-
20 nish him with such information. Any person willfully fail-
21 ing or refusing to furnish such information or furnishing
22 willfully any false information, shall upon conviction be
23 subject to a penalty of not more than \$1,000 for each such
24 violation.

25 SEC. 407. No person shall, while acting in any official

1 capacity in the administration of this Act, invest or speculate
2 in sugar or liquid sugar, contracts relating thereto, or the
3 stock or membership interests of any association or corpora-
4 tion engaged in the production or manufacturing of sugar
5 or liquid sugar. Any person violating this section shall
6 upon conviction thereof be fined not more than \$10,000 or
7 imprisoned not more than two years, or both.

8 SEC. 408. Whenever pursuant to the provisions of this
9 Act the President finds and proclaims that a national eco-
10 nomic or other emergency exists with respect to sugar or
11 liquid sugar, he shall by proclamation suspend the operation,
12 except as provided in section 207 of this Act, of all the pro-
13 visions of title II above, and, thereafter, the operation of such
14 title shall continue in suspense until the President finds and
15 proclaims that the facts which occasioned such suspension no
16 longer exist. The Secretary shall make such investigations
17 and reports thereon to the President as may be necessary to
18 aid him in carrying out the provisions of this section.

19 SEC. 409. Whenever the Secretary determines that such
20 action is necessary to effectuate the purposes of this Act,
21 he is authorized, if first requested by persons constituting
22 or representing a substantial proportion of the persons
23 affected in any one of the five domestic sugar-producing
24 areas, to make for such area surveys and investigations to
25 the extent he deems necessary, including the holding of public

1 hearings, and to make recommendations with respect to (a)
2 the terms and conditions of contracts between the producers
3 and processors of sugar beets and sugarcane in such area and
4 (b) the terms and conditions of contracts between laborers
5 and producers of sugar beets and sugarcane in such area. In
6 carrying out the provisions of this section, information shall
7 not be made public with respect to the individual operations
8 of any processor, producer, or laborer.

9 SEC. 410. The Secretary is authorized to conduct sur-
10 veys, investigations, and research relating to the conditions
11 and factors affecting the methods of accomplishing most
12 effectively the purposes of this Act and for the benefit of
13 agriculture generally in any area. Notwithstanding any
14 provision of existing law, the Secretary is authorized to make
15 public such information as he deems necessary to carry out
16 the provisions of this Act.

17 SEC. 411. The powers vested in the Secretary under
18 this Act shall terminate on December 31, 1952, except
19 that the Secretary shall have power to make payments under
20 title III under programs applicable to the crop year 1952 and
21 previous crop years.

22 SEC. 412. The provisions of this Act, except where an
23 earlier effective date is provided for herein, shall become
24 effective January 1, 1948. As provided in section 513 of
25 the Sugar Act of 1937, the powers vested in the Secretary

1 under that Act shall terminate on December 31, 1947, except
2 that the Secretary shall have power to make payments under
3 title III of that Act under programs thereunder applicable
4 to the crop year 1947 and previous crop years.

5 TITLE V—AMENDMENTS TO THE INTERNAL
6 REVENUE CODE

7 SEC. 501. (a) Subsection (b) of section 3507 of the
8 Internal Revenue Code (relating to the definition of “manu-
9 factured sugar”) is amended by inserting in the parenthesis
10 after the word “added” therein the following: “or developed
11 in the product”.

12 (b) Section 3508 of the Internal Revenue Code (relat-
13 ing to termination of taxes) is amended to read as follows:

14 “SEC. 3508. TERMINATION OF TAXES.

15 “No tax shall be imposed under this chapter on the
16 manufacture, use, or importation of sugar or articles com-
17 posed in chief value of sugar after June 30, 1953. Not-
18 withstanding the provisions of section 3490 or 3500, no tax
19 shall be imposed under this chapter with respect to unsold
20 sugar held by a manufacturer on June 30, 1953, or with
21 respect to sugar or articles composed in chief value of sugar
22 held in customs custody or control on such date.

23 With respect to any sugar or articles composed in chief
24 value of sugar upon which tax imposed under section 3500
25 has been paid and which, on June 30, 1953, are held by the

1 importer and intended for sale or other disposition, there
2 shall be refunded (without interest) to such importer, sub-
3 ject to such regulations as may be prescribed by the Com-
4 missioner of Customs with the approval of the Secretary, an
5 amount equal to the tax paid with respect to such sugar
6 or articles composed in chief value of sugar.”

7 (c) The amendments to the Internal Revenue Code
8 provided for in this section shall become effective upon the
9 first day of the second month following the date of the enact-
10 ment of this Act.

Passed the House of Representatives July 11, 1947.

Attest:

JOHN ANDREWS,

Clerk.

[Report No. 578]

AN ACT

To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

JULY 12 (legislative day, JULY 10), 1947

Read twice and referred to the Committee on Finance

JULY 17 (legislative day, JULY 16), 1947

Reported with an amendment



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No. 137

Senate

lative day of Wednesday, July 16, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Clarence Cranford, D. D., minister, Calvary Baptist Church, Washington, D. C., offered the following prayer:

We thank Thee, our Father, for Thy leadership in the past. We pray for that leadership in the present. Save us from disillusionment and despair. Help us to envision a world in which men are united—in which there are liberty and justice for all—in which the curse of war is no more. We may not enter that kind of a world in our generation, but, please God, when we fall, we will fall with our faces toward it.

We pray in Jesus' name. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 16, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, with an amendment in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3756) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1948, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PLOESER, Mr. JENSEN, Mr. SCHWABE of Oklahoma, Mr. COUDERT, Mr. MAHON, Mr. GORE, and Mr. WHITTEN were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3818) to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. REED of New York, Mr. KEAN, Mr. MASON, Mr. DINGELL, and Mr. MILLS were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 3997) to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code, in which it requested the concurrence of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

CONSULAR-TYPE FUNCTIONS OF SECRETARY OF STATE

A letter from the Secretary of State, transmitting a draft of proposed legislation to authorize the Secretary of State to perform certain consular-type functions within the United States, its Territories and possessions (with an accompanying paper); to the Committee on Foreign Relations.

EXTENSION OF FEDERAL-AID ROAD ACT TO ALASKA

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to extend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, to Alaska, to transfer certain functions of the Department of the Interior to the Public Roads Administration, and for other purposes (with an accompanying paper); to the Committee on Public Works.

CANCELLATION OF CERTAIN DEBTS OF INDIANS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a copy of his order canceling certain charges existing as debts due the United States by individual Indians and tribes of Indians (with accompanying papers); to the Committee on Public Lands.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BROOKS, from the Committee on Rules and Administration:

S. Res. 142. Resolution increasing the limit of expenditures by the Committee on Rules and Administration for the employment of temporary assistants and making certain expenditures; without amendment.

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. 1582. A bill relating to the sale of Paxon Field, Duval County, Fla.; without amendment (Rept. No. 574).

By Mr. MILLIKIN, from the Committee on Finance:

H. R. 3444. A bill to amend section 251 of the Internal Revenue Code; without amendment (Rept. No. 575).

By Mr. McCARTHY, from the Committee on Banking and Currency:

S. 1429. A bill to amend Public Law 88, Seventy-ninth Congress, approved June 23, 1945; with an amendment (Rept. No. 576).

PERMISSION FOR COMMITTEE ON FINANCE TO FILE REPORT

Mr. MILLIKIN. Mr. President, I ask unanimous consent to file a report from the Senate Committee on Finance, up to midnight tonight, dealing with the subject of proposed sugar legislation.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Colorado is granted.

Mr. MILLIKIN subsequently, from the Committee on Finance, to which was referred the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes, reported it with an amendment and submitted a report (No. 578) thereon.

JOINT COMMITTEE TO INVESTIGATE HOUSING

Mr. McCARTHY. Mr. President, today the Committee on Banking and Currency ordered that Senate Concurrent Resolution 25, establishing a joint committee to investigate the entire housing field, a resolution sponsored by myself

and the Senator from West Virginia [Mr. REVERCOMB], be reported favorably. The Senator from Alabama [Mr. SPARKMAN] was of great help in drafting amendments and working with us on the resolution. It is a completely nonpolitical and nonpartisan measure. I ask unanimous consent that the name of the Senator from Alabama be added to the list of sponsors of the concurrent resolution.

The PRESIDENT pro tempore. Without objection, the name of the Senator from Alabama [Mr. SPARKMAN] will be added as a sponsor of the concurrent resolution.

Mr. MCCARTHY subsequently said: Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report favorably with amendments the concurrent resolution (S. Con. Res. 25) establishing a joint committee to investigate the entire housing field, and I submit a report (No. 577) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received, and, under the rule, the concurrent resolution will be referred to the Committee on Rules and Administration.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AIKEN:

S. 1648. A bill to authorize the expenditure of income from Federal Prison Industries, Inc., for training of Federal prisoners; to the Committee on Expenditures in the Executive Departments.

By Mr. SALTONSTALL:

S. 1649. A bill to authorize the payment of certain claims for medical care and treatment of personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service furnished other than by activities of the Federal Government; and for other purposes; to the Committee on Armed Services.

S. 1650. A bill for the relief of George Krinopolis; to the Committee on the Judiciary.

By Mr. CAPEHART (for himself and Mr. JENNER):

S. 1651. A bill to amend the General Bridge Act of 1946; to the Committee on Public Works.

(Mr. BRIDGES (for himself, Mr. BARKLEY, Mr. BUTLER, Mr. CAIN, Mr. CAPEHART, Mr. DWORSHAK, Mr. EASTLAND, Mr. FULBRIGHT, Mr. HILL, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. KNOWLAND, Mr. MARTIN, Mr. MAYBANK, Mr. MORSE, Mr. REVERCOMB, Mr. FLANDERS, Mr. FERGUSON, and Mr. HAWKES) introduced Senate bill 1652, to promote maximum employment, business opportunities, and careers for veterans in a free competitive economy, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. CAPEHART:

S. 1653. A bill to control the export to foreign countries of gasoline and petroleum products from the United States; to the Committee on Interstate and Foreign Commerce.

(Mr. MAGNUSON (for himself, Mr. MORSE, Mr. LANGER, Mr. TAYLOR, Mr. YOUNG, Mr. MURRAY, Mr. CHAVEZ, and Mr. MYERS) introduced Senate Joint Resolution 149, relating to Palestine, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

ATTENDANCE OF MEMBERS OF CONGRESS AT MEETING OF EMPIRE PARLIAMENTARY ASSOCIATION IN THE BAHAMAS

Mr. VANDENBERG submitted the following concurrent resolution (S. Con. Res. 26), which was referred to the Committee on Foreign Relations:

Resolved by the Senate (the House of Representatives concurring), That the Senate and the House of Representatives hereby accept the invitations tendered by the president of the legislative council and the speaker of the House of Assembly of the Bahamas Government to have four Members of the Senate and four Members of the House of Representatives attend a meeting of the Empire Parliamentary Association to be held in the Bahamas beginning December 28, 1947. The President pro tempore of the Senate and the Speaker of the House of Representatives are authorized to appoint the Members of the Senate and the Members of the House of Representatives, respectively, to attend such meeting, and are further authorized to designate the chairmen of the delegations from each of the Houses. The expenses incurred by the members of the delegations appointed for the purpose of attending such meeting, which shall not exceed \$2,000 for each of the delegations, shall be reimbursed to them from the contingent fund of the House of which they are Members upon submission of vouchers approved by the chairman of the delegation of which they are members.

HEARINGS BEFORE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. BRICKER submitted the following resolution (S. Res. 152) which was referred to the Committee on Expenditures in the Executive Departments:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 102 (g) (2) (D) of the Legislative Reorganization Act of 1946, the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized to make such expenditures and to employ upon a temporary basis such investigators and such technical, clerical, and other assistants as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed \$30,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Expenditures in the Executive Departments.

AMENDMENT OF SUBSISTENCE EXPENSE ACT OF 1926—AMENDMENT

Mr. BRICKER submitted an amendment intended to be proposed by him to the bill (S. 544) to further amend section 3 of the Subsistence Expense Act of 1926, as amended, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 3997) to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code was read twice by its title and referred to the Committee on Finance.

MEETING OF COMMITTEE DURING SENATE SESSION

Mr. IVES. Mr. President, I ask unanimous consent that the Subcommittee on Antidiscrimination of the Committee on Labor and Public Welfare be permitted to continue its hearings now being held,

which will probably proceed for another hour.

The PRESIDENT pro tempore. Without objection, the order is made.

LEAVE OF ABSENCE

Mr. ROBERTSON of Virginia. Mr. President, I ask unanimous consent to be excused from attendance on the Senate this afternoon by reason of public business.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESS BY SENATOR MYERS BEFORE PENNSYLVANIA VETERANS OF FOREIGN WARS

[Mr. MYERS asked and obtained leave to have printed in the RECORD an address entitled "Where Do We Go From Here?" delivered by him at the annual encampment of Veterans of Foreign Wars of Pennsylvania, at Harrisburg, Pa., on July 16, 1947, which appears in the Appendix.]

COMMENCEMENT DAY ADDRESS BY SENATOR MYERS AT VILLANOVA COLLEGE

[Mr. MYERS asked and obtained leave to have printed in the RECORD a commencement day address delivered by him at the annual commencement exercises at Villanova College, Villanova, Pa., on June 16, 1947, which appears in the Appendix.]

REBUILDING THE NATIONAL INTEGRITY OF NATIONS—ADDRESS BY SENATOR MALONE

[Mr. MCCARTHY asked and obtained leave to have printed in the RECORD an address delivered by Senator MALONE before the National Convention of the Young Republican National Federation, at Milwaukee, Wis., June 7, 1947, which appears in the Appendix.]

ENTRY OF DISPLACED PERSONS INTO THE UNITED STATES—EDITORIAL COMMENT

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD editorials from the New York Times of July 15 and 17; and from the Baltimore Sun and the Washington Post of July 16, on the question of legislation authorizing entry into the United States of a number of displaced persons, which appear in the Appendix.]

NATIONAL SCIENCE FOUNDATION

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, which was to strike out all after the enacting clause and insert:

That this act may be cited as the "National Science Foundation Act of 1947."

ESTABLISHMENT OF NATIONAL SCIENCE FOUNDATION

SEC. 2. There is hereby established in the executive branch of the Government an independent agency to be known as the National Science Foundation (hereinafter referred to as the "Foundation").

MEMBERSHIP OF FOUNDATION

SEC. 3. (a) The Foundation shall have 24 members, to be appointed by the President, by and with the advice and consent of the Senate. The persons nominated for appointment as members (1) shall be eminent in the fields of the fundamental sciences, medical science, engineering, education, or public affairs; (2) shall be selected solely on the

to sale of Paxon Field, Florida; and discussed various audit reports by the Comptroller General which have been referred to the committee. It agreed that chairman would file reports on the audits which do not require additional legislation.

SUGAR AND PRISONERS OF WAR

Committee on Finance: Following bills were approved: H. R. 3444, to provide relief for prisoners of war captured by Japanese and removed from a U. S. possession; and H. R. 4075, Sugar Act of 1948, establishing sugar quotas for 2 years, with amendments relative to fair wage scale and employment of minors (to carry out intent of S. 1584).

FPC NOMINATION, NATURAL GAS

Committee on Interstate and Foreign Commerce: Ordered hearings on July 19, on nomination of Burton N. Behling, to be FPC commissioner. Considered H. R. 4051, Natural Gas Act amendments, but took no action. Received report from subcommittee on recent air crashes.

SOLICITOR GENERAL

Committee on the Judiciary: Subcommittee considering the nomination of Philip B. Perlman, to be U. S. Solicitor General, met with Mr. Perlman, Paul Ahlstrom, Russell Griffin, and Charles Ruzicka to receive further information.

SEC INVESTIGATION

Committee on the Judiciary: Pursuant to S. Res. 35 of the 79th Congress, and S. Res. 90 of the 80th Congress, relative to investigation of SEC, subcommittee met briefly and recorded the witnesses present, requesting their return for further study tomorrow.

MOTOR CARRIER CLAIMS

Committee on the Judiciary: R. G. May and Lou Hosking, both of Midwest Truck Operators, testified in support of S. 1260, settlement of motor carrier claims. Hearings continue tomorrow.

NOMINATIONS, VETERANS, LIBRARY SERVICE, RAILROAD RETIREMENT, AND FARM TRAINING

Committee on Labor and Public Welfare: Reported favorably the reappointment of William J. Kennedy, Ohio, to be a member of the Railroad Retirement Board, and 26 routine nominations and promotions in Public Health Service.

The following bills were also approved: S. 48, to provide \$25,000 a year for each of 4 years by the Federal Government to States for the demonstration of Public Library Service with provision for additional sums to meet expanded plans by States; H. R. 2181, relating to institutional on-farm training for veterans, with amendment; S. 1236, to increase monthly subsistence for vocational rehabilitation to veterans in service-connected cases, to \$115 without dependents, \$145 with a dependent, plus \$20 for one child and \$15 for each additional, and \$25 for a dependent parent, with amendment; and S. 1369, relative to veterans' hospital at Clarksburg, W. Va., with amendment.

Committee postponed further action for the remainder of this session on S. 670, railroad retirement bill.

ANTIDISCRIMINATION

Committee on Labor and Public Welfare: Further opposition testimony to S. 984, to prohibit discrimination in employment because of race, religion, or color, was received by the subcommittee from the following witnesses: Gov. Fielding Wright, Mississippi; Rep. Rankin; and Dr. R. H. Hutchison, Tenn. Commissioner of Health. Hearings continue tomorrow.

STEEL EXPORTS

Special Committee to Study Problems of American Small Business: Subcommittee on Steel heard the following witnesses discuss steel exports: Homer Zopf, Tyler Wood, accompanied by Carl Anderson, both of the State Department, and Under Secretary of Commerce William C. Foster, accompanied by Francis E. McIntyre and John Garrett, Office of International Trade, Dept. of Commerce.

House of Representatives

Chamber Action

Bills Introduced: Thirteen public bills, H. R. 4247-4259; eight private bills, H. R. 4260-4267; and forty-two resolutions, H. Res. 303-313, H. J. Res. 244, and H. Con. Res. 75-104, were introduced. Pages 9400-9401

Bills Reported: Bills and resolutions were reported as follows:

Part II, supplemental report (H. Rept. 734), to H. R. 2239, amending Surplus Property Act of 1944, authorizing sale or lease to State governments of surplus prop-

erty for use in training civilian components of the Army.

Six private claims bills H. R. 625, 1131, 1155, 1645, 2891, and 3754 (H. Repts. 962-967, incl.);

H. J. Res. 238, permitting free entry of standard newsprint paper (H. Rept. 968);

H. R. 3613, relating to the stamp and document taxes on issues of capital stock and bonds, respectively (H. Rept. 969);

H. Res. 305, rule granting 1 hour debate on H. R. 3999, authorizing the Attorney General to adjudicate

certain claims resulting from evacuation of certain persons of Japanese ancestry under military orders (H. Rept. 970);

H. R. 3227, providing for inactive-duty training pay for Organized Reserve Corps (H. Rept. 971);

H. R. 4018, authorizing transfer of real property for wildlife conservation (H. Rept. 972);

H. R. 4043, changing payment priority out of German special deposit account (H. Rept. 973);

H. R. 4068, authorizing the Federal Works Administrator to construct a GAO building (H. Rept. 974);

Conference report on H. R. 3601, Agriculture Department appropriation bill for 1948 (H. Rept. 975);

H. R. 4044, creating a commission to make inquiry and report with respect to war claims and to provide for relief of internees in certain cases (H. Rept. 976);

H. R. 4143, providing for expansion of the R. O. T. C. program (H. Rept. 977);

H. R. 4229, authorizing documentation of the Canadian built dredge *Ajax* (H. Rept. 978);

H. J. Res. 161, providing for U. S. membership in the World Health Organization (H. Rept. 979);

S. 616, authorizing creation of game refuge in Francis Marion National Forest, S. C. (H. Rept. 980);

S. 706, H. R. 648, H. R. 1916, and H. R. 3243, private claims bills (H. Repts. 981-984, incl.);

S. 1180, issuing special series of commemorative stamps honoring Gold Star Mothers (H. Rept. 985);

S. 682, regulating interstate transportation of black bass and other game fish (H. Rept. 986);

H. R. 4169, permitting authority for temporary emergency service of air carriers (H. Rept. 987);

H. R. 3510, constructing and maintaining a public airport in Alaska (H. Rept. 988); and

H. R. 3509, constructing airport and highway thereto in Fairbanks, Alaska (H. Rept. 989).

Pages 9369-9372, 9399-9400

Public Health: Committee on Interstate and Foreign Commerce was granted permission to file by midnight, July 17, a report on H. R. 3924, amending Public Health Service Act, relating to personnel and administration.

Page 9383

Science Foundation: Disagreed to Senate amendments on S. 526, National Science Foundation bill, agreed to the conference asked, and Representatives Wolverton, Hinshaw, Howell, Priest, and Harris were appointed conferees on the part of the House. Page 9373

Pay-roll Taxes: Disagreed to the Senate amendments on H. R. 3818, amending Federal Insurance Contributions Act, freezing pay-roll taxes, agreed to the conference asked, and Representatives Reed, Kean, Mason, Dingell, and Mills were appointed conferees on the part of the House.

Page 9353

Government Corporations: Disagreed to the Senate amendments on H. R. 3756, Government corporations

appropriations for 1948, agreed to the conference asked, and Representatives Ploeser, Jensen, Schwabe of Oklahoma, Coudert, Mahon, Gore, and Whitten were appointed conferees on the part of the House.

Page 9353

Aviation Council: Disagreed to Senate amendments on H. R. 3587, to establish a National Aviation Council, agreed to the conference asked, and Representatives Wolverton, Hinshaw, Howell, Bulwinkle, and Priest were appointed conferees on the part of the House.

Page 9369

Tort Actions: Passed, by a vote of 205 yeas to 187 nays, H. R. 1639, a bill amending the Employers' Liability Act to establish venue in tort actions brought in Federal or State courts against interstate common carriers by railroad.

Pages 9353-9369

Presidential Signature: House agreed to Senate amendments on the following bills, thereby completing legislative action:

D. C. Unemployment: H. R. 3864, to amend D. C. Unemployment Compensation Act relative to contribution rates after military service.

Fisheries: H. R. 3598, granting congressional consent for fisheries compact on Pacific coast.

Building Licenses: H. R. 1448, licensing of D. C. buildings used for living quarters.

Pages 9372, 9377

Labor-Management Relations: The Speaker appointed Messrs. Hartley, Landis, Hoffman, McCowen, Lesinski, Barden, and Kelley, as members of the Joint Committee on Labor-Management Relations. Page 9369

Emergency Powers: S. J. Res. 123, declaring in the interpretation of various emergency laws and proclamations that they shall be construed as terminated and peace established, was passed by voice vote after adopting committee amendments.

Pages 9373-9377

Bills Referred: The following Senate-passed bills were referred to the committees indicated:

S. 474, 703, and 929, and S. J. Res. 70 (Armed Services);

S. J. Res. 148 (Banking and Currency);

S. J. Res. 130 (Education and Labor);

S. 1512 (Expenditures in Executive Departments);

S. 84, 99, 167, 185, 191, 316, 339, 457, 1579, and S. J. Res. 134 (Judiciary);

S. 1132 (Merchant Marine and Fisheries);

S. 974 and S. J. Res. 84 and 94 (Public Lands);

S. 418 and S. 1487 (Public Works);

S. 1576 (Ways and Means).

For passage in Senate, see Digest, p. D544.

Page 9398

Veterans' Facility: Passed H. R. 3737, authorizing acquisition of a site in Clarksburg, W. Va., by the Veterans' Administration, to build a facility.

Page 9397

But, Mr. Speaker, I cannot fail to point out to the Members of this House that President Truman has failed to note the ravages of other rivers within our boundaries. There is in Texas a stream which almost annually floods thousands of acres of our most fertile soil and wreaks hundreds of thousands of dollars in damage. I speak of the Trinity River. I respectfully urge the Members to broaden their views regarding flood control beyond the Missouri-Mississippi watershed and consider other streams, such as the Trinity, which should be brought under control.

Personal Income-Tax Reduction Bill Should Be Signed by the President

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1947

Mr. ANGELL. Mr. Speaker, both Houses of the Congress have now passed for the second time the much-needed war-tax-reduction bill. It received a very large majority vote in both Houses in which both political parties joined. The overburdened taxpayers throughout the Nation are entitled to a break by relieving them from some of these excessive war taxes now that the war has been over for 2 years.

Our experience following the World War I was that by reducing the taxes the Government received more tax dollars than before the reduction. This was due to the fact that it gave opportunity to capital dollars to receive proper returns on investments and capital was invested in productive enterprise, increasing jobs and buying capacity and as a result Federal tax receipts were increased although the rate was reduced.

The feeling is growing stronger throughout the Nation that unless the taxpayer is given some relief from the burden of war taxes he will not continue to support a program of sending American tax dollars to foreign countries to relieve the peoples of those nations. As a matter of fact we have sent overseas over \$20,000,000,000 since the war ended and the program now under consideration will require several billion dollars additional each year. It is true we must make adequate payments on the national debt and this will be done from excess revenues received after this tax reduction bill becomes a law.

Mr. Speaker, I include in these remarks two editorials from the two metropolitan daily papers in Portland, Oreg., in my district, one a Republican paper and the other Democratic, both urging that this tax bill be signed by the President. The editorials are as follows:

[From the Portland Oregonian of July 12, 1947]

TAX REDUCTION DUE

President Truman's insistence on delaying Federal tax reduction until next year—a Presidential year—at which time he would

present his own tax bill to Congress, is taking unfair advantage of taxpayers for political profit. Moreover, from where we sit, it doesn't even look like good politics for him.

The new tax-reduction bill, which would eliminate millions of low-wage earners and scale down payments of other earners from 30 percent in lower brackets to 10.5 percent in the highest bracket, is dated to go into effect January 1, next year. If the President's veto again is upheld, he will be in the position of asking Congress next year to do that which Congress voted twice to do this year, for a difference of 6 months in effective date. We think the voters, who also pay taxes and who are deserving of a reduction in burdensome war rates, will not be fooled.

[From the Oregon Daily Journal, Portland, Oreg., of July 11, 1947]

THE TAX-REDUCTION BILL

President Truman has announced that he again will veto the income-tax-reduction bill. This is the same bill that he vetoed June 16, except that its effective date is January 1, 1948, instead of July 1, 1947. There may be enough votes in the House to override the veto. What may happen in the Senate is problematical.

In his veto message the President said that the bill offers the wrong kind of tax reduction at the wrong time.

It may be that the Republican Congress is anticipating any possible suggestion for an income-tax reduction at a later date by a Democratic President.

There is Presidential politics in this thing on both sides. The issue should be determined on its merit. It will not be.

Tax reduction was promised by the Republicans. They twice have fulfilled their commitments in the Congress.

The President, who, too, has responsibilities concerning the economic structure, does not agree with the Congress.

By this second veto of the tax bill, the President will be in a difficult situation if he proposes tax reduction in his message to the Congress next January.

In the meantime, the taxpayers, small and large—and they are legion—are being made the cat's-paw of Presidential politics.

The Journal's opinion is that the President should sign the bill.

Bad Medicine

EXTENSION OF REMARKS

OF

HON. FRANK BUCHANAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1947

Mr. BUCHANAN. Mr. Speaker, under leave to extend my remarks in the RECORD I wish to include therein an editorial which appeared in the New York Times of Thursday, July 17, entitled, "Bad Medicine," referring to the "Federal Employees Loyalty Act of 1947":

BAD MEDICINE

The House of Representatives has passed a thoroughly bad bill in the name of a thoroughly good cause. The cause, stated generally, is a wish to make certain that those who hold public office in a democratic government actually believe in the democratic method and do their best to make it work successfully. The present instrument for accomplishing this wholly desirable purpose is a bill bearing the title of the "Federal Employees Loyalty Act of 1947." It has been

passed in the House by a vote of 319 to 0, with many of the most respected conservatives in that branch of Congress protesting against it, to their credit.

The bill would create a Loyalty Review Board, which would have power to rove anywhere and everywhere into the business of any and all other departments and agencies in Washington, looking, with the enforced aid of the FBI, for disloyal suspects. On discovering such a suspect it would notify the person under investigation in writing of its preliminary finding, together with a factual statement upon which such finding is based, concealing as far as possible the source or sources of the information. The accused, thus denied his rightful opportunity to confront his accuser, would have 15 days to reply. If he failed to satisfy his inquisitors—in such matters, for example, as whether there were reasonable grounds for believing that he had sympathetic association with any organization on a list to be arbitrarily designated by the Attorney General on his own personal say-so as totalitarian, Fascist, Communist, or subversive—the accused would be dismissed summarily from Government employment. There is no provision for appeal. There is no right of review from the decision of this roving and omnipotent board. The accused would be dropped, with the soul-searing finding—worse for many than a prison sentence—that he was disloyal to the Government of the United States.

This bill lacks all of the safeguards and protections embodied in President Truman's own recent proposal in the same field. It lacks all the elements of a decent respect for democratic rights and the standards of fair play. It is a bad bill. It should never have been passed by the House. It should be thrown out of the window by the Senate.

Charles Oscar Andrews

MEMORIAL ADDRESS

OF

HON. JOE HENDRICKS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1947

On the life, character, and public service of Hon. CHARLES OSCAR ANDREWS, late a Senator from the State of Florida

Mr. HENDRICKS. Mr. Speaker, we all mourn the death of Senator CHARLES O. ANDREWS. Whatever tribute I may pay him would be as much a tribute to a man and a citizen of the State of Florida as it would be to a United States Senator. I had the pleasure of knowing of Senator ANDREWS and knowing him personally long before he became United States Senator. Senator ANDREWS was a man highly respected in the State of Florida as one of our outstanding citizens and a friend of the people. He was loyal and kind to his personal friends and held their loyalty throughout the years that I knew him. He was a good father and a loving husband.

In the Halls of Congress, Senator ANDREWS voted his convictions without regard to the popularity of his position. He had a keen judicial mind, a sense of justice, an innate endowment of statesmanship. The people of Florida paid their highest tribute to Senator ANDREWS in life and he will live in the hearts of his friends.

Importation of Sugar

EXTENSION OF REMARKS

OF

HON. ALVIN F. WEICHEL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1947

Mr. WEICHEL. Mr. Speaker, I include the following communication received from William H. Emerine, Alvada, Ohio, and request the committee having jurisdiction investigate the matters set forth in the communication:

STAMSOGAR

A gigantic conspiracy intent on controlling all peoples of the earth by controlling the availability of these nine basic products:

1. Steel.
2. Tungsten carbide.
3. Aluminum.
4. Magnesium.
5. Sugar.
6. Oil.
7. Gas.
8. Alcohol.
9. Rubber.

Whereas in this day and age all mankind cannot for very long do without any or all of these basic products; and

Whereas it is now known that 23 powerfully rich men of earth are bent on gaining control of these basic products; and

Whereas those 23 men are determined to control the people of all earth by controlling these nine basic products; and

Whereas sugar affects all of us directly through our diet; and

Whereas sugar is necessary to our diet: Therefore, be it

Resolved, That we, the undersigned, wish you, ALVIN F. WEICHEL, to introduce a resolution in Congress to investigate as to why sufficient sugar is not being imported into the United States from sugar-producing countries and remove sugar from all rationing.

William H. Emprine, Harold J. Reinhard, Mrs. Harry Geogline, Mrs. C. R. Bresler, Mrs. Ida Lewis, Donald Bringman, C. R. Bresler, Mrs. Howard Sander, Mrs. E. D. Gooch, Mrs. O. T. Crawford, Mrs. Henry Fox, Mrs. Edith Fries, Mrs. G. M. Rosendale, I. L. Wright, Mrs. E. Flowers, Mrs. G. D. Myert, Milton Bockbrader, Mrs. J. C. Breneman, G. A. Ketcham, Earl W. Barger, K. N. Murphy, A. Ruehl, Chas. C. Few, Leo Clark, Zila B. Konold, R. V. Konold, Ward Mullen, Mrs. Estella Brubaker, Mrs. Luther Dyer, Mrs. Merrill Mallott, Guy E. Hummel, Florence Hummel, Sylvia Yates, Chas. Haldeman, Mrs. C. N. Gesen, Mrs. Harry Faylor, Ione Stoner, Fred Stannard, Carle Kennedy, D. E. Shearel, J. E. Wirt, Lula Evans, Mrs. N. C. Elarton, R. P. Elarton, Mrs. Chas. Shook, Henry Black, Mrs. W. H. Miller, Jacob W. Hunt, Homer S. White, Edith Bankey, Mrs. Betty Caswell, Jacob Gase, Mary C. Gase, Helen Crawford, Laura L. Goon, Helen L. Ohler, Herald C. Ohler, Helen Standinger, Irma Millburne, E. F. Struner, C. E. Hiser, B. B. Milligan, Mr. and Mrs. Oliver Staats, Mrs. C. T. Walton, Mrs. John F. Clause, Mrs. William Eidson, John Gelter, Mr. and Mrs. Floyd W. Lee, Lillian Strausbaugh, Mrs. W. O. Campbell, Mrs. Harry Smith, Mrs. Carl R. Anderson, Mrs. Herbert Havens, Mrs. I. H. Dornan, W. M. Houtz, Tura M. Houtz, Mrs. Robert Boff, Warren House, Wm. Jacobs, Amanda Whiteman, Mrs. Robert F. Cole, Chas. Swinehart, Chas. Topping, Mrs. D. J. Stahl, Mrs. C. E. Kempher, Mrs. H. G. Green, Mrs. Howard E. Frantz, Mrs. Wilbur Bell, Miss Bessie Wollam, Mrs. Martin Wollam, Martin Wollam, Mrs. Georgeann Lyman, Mrs. A. H. Mullholand, Mrs. F. A. Bowman, B. Painter, Ben Wildman, Wm. N.

Holman, Burton J. Bauman, Mrs. Burton J. Bauman, Mrs. Elize Irene Myers, Dewey Ponn, Mrs. John Good, Edyth Murphy.

E. E. Harrison, Mrs. Blake A. Myers, Mrs. Clayton H. Purkey, Mrs. G. B. Krupp, Mrs. Darrell Masamer, S. Q. Masamer, D. O. Masamer, Mrs. S. O. Masamer, Mrs. B. E. Tefft, B. E. Tefft, A. Koons, Mrs. Rosie Shaw, Mr. and Mrs. W. H. Bowser, Mr. and Mrs. A. B. Stearns, I. Strausbaugh, Mr. and Mrs. John Stearns, S. H. Morgart, H. A. Baker, Warren Hathaway, Ivan L. Harrison, Mrs. Geo. Stainbrook, Mrs. R. F. Munger, Mrs. J. F. Duding, Mrs. Robert S. Long, C. E. McLaughlin, Mrs. C. E. McLaughlin, Mrs. M. L. Snyder, Mrs. R. M. Bomer, Mrs. Chas. G. Hooper, Mrs. Jacob Reiss, Mr. and Mrs. Jesse Warner, Mr. and Mrs. Homer G. Dyer, Mrs. Richard Droll, Mrs. Emmitt Droll, Mrs. Earl Graham, Earl Graham, Mrs. Geo. Bundy, Arthur Fulton, Mrs. Willard Radcliff, Mrs. Paul Wentz, Mrs. John Derck, Chas. Thomas, A. H. Thomas, Robert Hicks, Mrs. B. Brown, Lee Pelton, Richard Miller, Ora Flechtner, Kenneth Ault, Mrs. Frank Dibling, H. E. Crosby, H. E. Yoder, M. C. Adams, Pearl Adams, Mrs. F. Higgins, Mrs. W. Murphy, Mrs. W. Peters, Mrs. Wm. Williamson, Mrs. F. W. Zeperwick, J. A. Hathaway, Dell Frankart, Thos. E. Frederick, Mrs. H. D. Keogh, Mrs. Clyde May, Clifford Tory, Mrs. Danny Rhoad, Mrs. J. W. Piper, H. A. Piper, Mrs. C. A. Luman, Eugene Fry, Mrs. L. B. Stearns, Mrs. R. W. Muir, Helen Muir, Mrs. Cleon Murphy, Geraldine Kreais, Mrs. G. A. Brooks, Mrs. Jennie Turley, F. L. Stearns, Mrs. H. A. Yost, Mrs. W. M. Turley, W. M. Turley, Arthur Turley, Mr. and Mrs. Nick Frankart, Mary Louise Frankart, Mrs. Bessie Welch, Grace Lewis, Merrill C. Smith, Joe Nathmeyer, Ray Wetty.

H. N. Brandiberry, M. H. Moyer, Mr. and Mrs. Eugene E. Reinhard, Mr. and Mrs. Ross Fry, Mr. and Mrs. T. L. Brown, Mrs. and Mrs. J. A. Snow, Harry Stearns, Harry Turley, Marie Hendryckx, E. A. Kreais, D. J. Baird, J. L. Durbin, George Hummel, Harold Canterbury, R. W. Stoudinger, Leonard G. Bumpus, C. P. Stein, J. H. Baird, N. W. England, Mrs. Clyde Stearns, Mrs. Walden Bruns, Mrs. Roy Kimble, O. E. Himber, Mrs. K. L. Kreais, Mrs. A. M. Dennis, Mrs. E. C. Hall, Mrs. Daisy Bradner, Mrs. T. J. Stall, Mrs. F. H. Bloom, Mrs. Roller Fox, Mrs. Gertrude Ketcham, Mrs. Charles Sawyer, Mr. and Mrs. Andrew J. Wiseginer, Mrs. C. A. Rosendale, Mrs. George W. Bower, Royal Robbins, Mrs. Sadie A. Bower, Mrs. Robert Huffman, Mrs. H. L. Breneman, K. K. Stannard, David Carman, Mrs. Nora Kelly, Mrs. William Manecke, Mrs. Clara Lee, Mr. and Mrs. George W. Addy, Mr. and Mrs. Earl Hummel, Mr. and Mrs. Paul Pelton, Mr. and Mrs. Donald Johnson, Arthur Bundy, R. B. Ketcham, Mrs. H. P. Bresler, H. P. Bresler, Mrs. L. G. Bumpus.

Joseph J. Mansfield

SPEECH

OF

HON. EUGENE WORLEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 14, 1947

Mr. RAYBURN. I yield to the gentleman from Texas [Mr. WORLEY].

Mr. WORLEY. I join with my colleagues in mourning the passing of one of the most lovable and genuine men I have ever known. Never in my life have I known a man who was so constantly bright and cheerful and friendly. Although a wheel chair confined him physically, it was never sufficient to restrict his greatness. Time after time I have

marveled at his tremendous energy and the unusual skill with which he handled legislation entrusted to him as chairman of one of our great committees. For over 60 years he enjoyed the implicit confidence of his electorate. Honor after honor came to him from his people. No greater tribute could be paid to any man. A great loss has been sustained by his constituency, by the State of Texas, and by the Congress of the United States.

Charter Reform

EXTENSION OF REMARKS

OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1947

Mr. JUDD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Barnet Nover from today's Washington Post:

CHARTER REFORM—IF THE U. S. IS TO FUNCTION
(By Barnet Nover)

The acutely critical situation in Greece underlines the wisdom of the move, now under way in Congress, to strengthen the United Nations by curbing the great power veto.

For some weeks the Security Council has had before it the report of the Balkan commission. That body, appointed last December, spent months looking into charges that Albania, Bulgaria, and Yugoslavia were supporting guerrilla warfare in northern Greece.

Evidence accumulated by the commission makes it clear that these charges were not unfounded. Russia and her Communist-dominated satellites in the Balkans are out to destroy the present Greek Government and set up in its place a regime that will do the Kremlin's bidding.

It was for the precise purpose of blocking such a development, which would leave the entire Middle East open to Soviet domination, that, at President Truman's request, Congress authorized large-scale aid to Greece and Turkey.

Democracies move slowly.

President Truman's appeal to Congress was made on March 12. Only now, more than 4 months later, has the Griswold mission arrived on the scene in Greece. Actually, Congress has yet to appropriate the Greek aid funds that were authorized.

In the meantime, the pressure on Greece from the Soviet north has not diminished. If anything, it has been stepped up considerably.

The success of the Soviet-supported guerrilla campaign in Greece would now serve a double purpose. It would not only round out Russia's sphere of influence in the Balkans by eliminating the only non-Communist government in the peninsula. It would also deal a tremendous blow to American prestige at a time when 16 European nations have banded together to carry out the Marshall plan.

It is an ominous circumstance that the increase in Soviet pressure on Greece is taking place at the very moment when the Security Council is considering the problem.

Russia and her Balkan satellites do not appear to be particularly concerned with what the Council may do. Should it reach a show-down on the question of carrying out the recommendations of the Balkan Commission, Russia can always block action by employing her veto.



DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: Bills cleared for President: Agricultural appropriation bill, Government corporations appropriation bill, First and Second supplemental appropriation bills, amend and extend the Sugar Act, place crop insurance on limited basis, amend Marketing Agreement Act, liberalize GI farm training, provide for wool-price supports, revise peanut-quota provisions, regulate garbage imports. Both Houses agreed to resolutions authorizing their Agriculture Committees to study a long-range farm program. Tongass Forest bill was probably cleared for President. House asked USDA to investigate weed killers. Both Houses authorized investigation of high prices. Sen. Morse spoke favoring Remount Service bill.

SENATE - July 25

1. APPROPRIATIONS. Rejected, 1-83, the conference report on H. R. 3756, the Government corporations appropriation bill (pp. 10384-91). Sen. Vandenberg, Mich., and others objected to the provision making FDIC subject to budgetary control; and Sen. Vandenberg said, "They tear down the Farm Credit Organization...there is a great deal to be said for the objection which is to be made against an equivalent raid on the independence of the farm cooperative institutions" (p. 10387).

Passed with amendments H. R. 4269, the supplemental appropriation bill (pp. 10264-8, 10372-83). Sens. Ball, Brooks, Ferguson, Gordon, McEllar, Hayden, and Tydings were appointed conferees (p. 10383). Reps. Taber, Wigglesworth, Engel, Stefan, Case, Keefe, Cannon, Kerr, and Mahon were appointed conferees (p. 10321). Regarding the Sugar Rationing Administration item, Sen. Flanders, Vt., said: "...by agreeing to the amendment, we end sugar rationing at once" (p. 10265). Rejected an amendment by Sen. Ball, Minn., to provide \$1,350,000 additional to continue the USDA farm-labor program through June 30, 1948, and a committee amendment to strike out the item for a Farm Placement Service in the Labor Department in view of the Ball amendment; thus the Senate action was to transfer the farm-labor program back to the Labor Department (pp. 10374-83). Sen. Russell attempted to clear up a misunderstanding as to the

Senate committee in commenting in its report on the Federal catalog proposal, and subcommittee chairman Ball said: "The committee in its report certainly did not intend to place any limitation on funds available in other items, but was referring merely to the Budget estimate of \$2,700,000 for a special project" (p. 10383).

The Appropriations Committee reported with amendments H. R. 4347, the 2nd supplemental appropriation bill (S. Rept. 767)(p. 10368).

Sen. Tydings, Md., inserted a statement showing the budget and congressional figures for each appropriation bill for 1948 (pp. 10400-1).

2. SUGAR. ^{with amendment} Passed as reported H. R. 4075, to amend and extend the Sugar Act of 1937 (pp. 10411-22). Rejected, 40-42, an amendment by Sen. Chavez, N. M., to strike out the provision preventing increased quotas to countries which deny fair treatment to Americans (pp. 10420-1), and the committee amendment on labor standards (p. 10418). This bill will now be sent to the President.
3. FARM TRAINING. Passed as reported H. R. 2181, to liberalize the farm-training provisions of the Servicemen's Readjustment Act, after rejecting, 31-45, a motion by Sen. Taft, Ohio, to recommit the bill (pp. 10391-400, 10404-7).
4. LOANS. The Joint Committee on Reduction of Nonessential Federal Expenditures submitted a report on Federal lending operations (S. Doc. 103), and Chairman Byrd discussed the report (p. 10434).
5. FOOT-AND-MOUTH DISEASE. Received the 30-day report of this Department on progress of the foot-and-mouth disease campaign in Mexico; to Agriculture and Forestry Committee (p. 10368).
6. CLAIMS. The Judiciary Committee reported with amendments H. R. 3690, to amend the Federal Tort Claims Act regarding death statutes and decisions in Ala. and Mass. (S. Rept. 763)(p. 10368).
7. CONSUMER CREDIT. Both Houses agreed to the conference report on S. J. Res. 148, to provide for temporary continuation of consumer-credit regulation authority (pp. 10439, 10274-5). This measure will now be sent to the President.
8. GRAIN EXPORTS. Sen. Butler, Nebr., spoke in favor of S. 1586, to provide for U. S. grain exports through private industry (pp. 10440-1).
9. AGRICULTURAL STUDIES. Debated S. Res. 147, authorizing the Agriculture and Forestry Committee to study agricultural legislation and the trends, needs, and problems of agriculture; Sen. Taylor, Idaho, objected to the resolution (pp. 10448, 10452-3).
10. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 3678, the War Department military appropriation bill (pp. 10402-3, 10305-10). This bill will now be sent to the President.
11. INVESTIGATIONS. Agreed, without amendment, to S. Res. 148, authorizing the Public Lands Committee to investigate matters within its jurisdiction (pp. 10448, 10450-1).
Agreed, with amendments, to H. Con. Res. 104, authorizing a joint housing investigation; and Senate conferees were appointed (pp. 10448-50).
Discussed and passed over, on objection of Sen. Taylor, Idaho, S. Con. Res. 19, to establish a joint subcommittee to investigate high prices of consumer goods (p. 10451).

S. 1584

IN THE SENATE OF THE UNITED STATES

JULY 18 (legislative day, JULY 16), 1947

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. CHAVEZ to the bill (S. 1584) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes, viz:

- 1 On page 8, line 23, strike out all of subsection E of
- 2 section 202.

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in providing for the continuation of the RFC, we left out certain refinancing provisions. Unless this bill is passed and sent to the House of Representatives, the Federal Housing Administration will be left without funds after October.

Mr. TAFT. I understand.

Mr. MAYBANK. I shall appreciate the efforts of the Senator from Ohio to have the bill considered.

Mr. TAFT. I understand, and I shall do my best.

MEETINGS OF APPROPRIATIONS COMMITTEE

Mr. TAFT. Mr. President, before yielding the floor, I wish to make an announcement on behalf of the chairman of the Appropriations Committee, the Senator from New Hampshire [Mr. BRIDGES].

The second supplemental deficiency bill will be marked up at 7 o'clock p. m.

The full committee will meet at 8 p. m. to consider the mark-up by the subcommittee of the second supplemental deficiency bill.

The conference committee on the appropriations for civil functions of the War Department will meet at 7:30 p. m.

The conference committee on the first supplemental appropriation bill will meet at 8:30 p. m.

ORDER OF BUSINESS—EXECUTIVE SESSION

Mr. TYDINGS. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. TYDINGS. As I am a member of these appropriations committees, I shall appreciate it if the Senator from Ohio can give me some indication of when he thinks we shall have an executive session.

Mr. TAFT. I doubt that we shall have an executive session tonight. The present plan is to deal with the sugar bill. I do not know how long the consideration of that bill will take. I hope it will not take too long.

Then we shall have the resolution of the Senator from West Virginia, relating to an investigation of immigration, with the understanding that if that takes an hour and still is not disposed of, we shall lay it aside, and shall take up the calendar, returning to that bill after the calendar is disposed of.

That is the general plan.

Mr. TYDINGS. What would be the program?

Mr. TAFT. After last night's session, I would hope that we might be able to take a recess by 10 or 11 o'clock this evening, and have one last call of the Executive Calendar tomorrow. There is not so much business for tomorrow, and I see no reason why there should not be a full consideration.

Mr. TYDINGS. Mr. President, does the Senator feel he can now give me assurance that some time either tonight or tomorrow there will be a call of the Executive Calendar?

Mr. TAFT. I think I can give assurance that that is the intention.

AUTHORIZATION TO COMMANDANT, UNITED STATES COAST GUARD, TO GRANT WAIVERS FOR EMPLOYMENT OF CERTAIN ALIEN SEAMEN

Mr. WHITE. Mr. President, I should like to ask for immediate consideration of a House joint resolution which is in the Committee on Interstate and Foreign Commerce, not having been reported to the Senate. I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of House Joint Resolution 245, amending Public Law 27, Eightieth Congress.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. WHITE. Mr. President, I now ask for the immediate consideration of the joint resolution.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the joint resolution (H. J. Res. 345) amending Public Law 27, Eightieth Congress, was considered, ordered to a third reading, read the third time, and passed.

SUGAR ACT OF 1948

Mr. TAFT. Mr. President, I move that the Senate proceed to the consideration of House bill 4075, Calendar No. 608, the so-called sugar bill.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Ohio [Mr. TAFT] that the Senate proceed to consider House 4075.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries, which had been reported from the Committee on Finance with an amendment.

Mr. MILLIKIN. Mr. President, the present Sugar Act expires December 31, 1947. Those of us who are especially interested because of the activities in our States in the growing or processing of the beets or the cane, have been anxious as to the further course of covering legislation.

For a time it appeared that a simple extension would be the most that could be hoped for, this because of the apparent inability of the interested parties to get together. Those of us in the Congress especially interested counseled the representatives of the producers and processors that more than a simple, short extension could not be had unless a wide area of agreement could be achieved. In reaching agreement among the numerous interests involved, there had to be reconciliation of many points of conflict. The mainland cane- and beet-sugar producers and processors were not in agreement.

There was appearance of some division of opinion between the agencies of the Government which are interested. Secretary of Agriculture Anderson took an active interest in helping to put this bill together.

The accords which were reached came somewhat as a surprise to many of us. There was not a single interest that received everything it wanted. Every interest had to sacrifice a part of its ambition. I believe those sacrifices were made because it was apparent that a simple extension statute would not give the stability to the industry which is required in this transitional period.

Secretary Anderson, appearing before the House Ways and Means Committee on June 21, 1947, well expressed the official viewpoint toward the bill. He said:

With that in mind it was suggested that we confer with the Department of the Interior because it has a responsibility to Puerto Rico and Hawaii.

He is referring to efforts to get together.

The Department of the Interior looked at the bill carefully. The Secretary of the Interior phoned me after he had had an opportunity to study it, to say he was in full agreement with the purpose of the bill, and they would be able to support it, because they felt it was of great value that the domestic areas were in agreement on it. I then suggested they consult the Bureau of the Budget and the State Department and other branches of the administration, and I am now in a position to say to you I am confident that the administration will be pleased to support a bill such as has been drawn if it should be favorably acted upon by this committee and by the House in turn, and finally by the Senate.

The bill before us represents the result of all those negotiations, adjustments, and conciliations.

The bill in substance is a 5-year extension, with changes, some of the more important of which will be specially mentioned, of the sugar-control legislation which has been in effect in this country since 1934.

Included in the features of that existing control system are these. A quota system dividing the sugar needs of the Nation among those who historically have supplied them. Our sugar needs from year to year are estimated by the Secretary of Agriculture. Benefit payments are provided for our producers. These are contingent on not employing child labor, paying labor bills, and on observing requirements as to the amount of sugar to be produced.

An excise tax is levied on the processor, which in theory is supposed to equal the benefit payments, but which in practice has exceeded the amount of those payments. It must be thoroughly understood that this is a temporary measure, that every Senator voting for the bill reserves unimpaired his own philosophy and freedom as to permanent sugar legislation and as to other agricultural policies.

Let us look at some of the new features of the bill before us. Section 201 would modify the method of estimating the quantity of sugar needed to meet the requirements of consumers in the continental United States. Under the Sugar Act of 1937 the estimate is made on a

consumption basis in an amount not less than the average per capita consumption during the 2-year period 1937-38, which amounts to 102.6 pounds.

That per capita standard is omitted, and there is a provision directing the Secretary in making consumption estimates to take into consideration certain standards with a view of providing a supply of sugar which will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry.

The standards to be taken into consideration include the level of consumption during the preceding year, any deficiency or surplus in sugar inventories, changes in population and demand conditions, level and trend of consumer purchasing power, and the relationship between the prices at wholesale for refined sugar and the general cost of living in the United States, as compared with the relationship between the prices at wholesale for refined sugar and the general cost of living in the United States during 1947, prior to the time when controls on sugar were brought to an end.

The Secretary does not have to give any special weighting to any of those factors, but he must consider all of them and reach his decision. The over-all controlling guide is the provision which requires the establishment of a supply of sugar which will be consumed at prices which will not be excessive to consumers, and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry.

There are also new provisions for the establishment of the quotas.

Under the act of 1937 the quotas for sugar-producing areas, both domestic and foreign, are based upon percentages of the estimate of consumption requirements, so that annual quotas vary depending upon the amount of such estimates.

Section 202 of the bill establishes fixed quotas for the domestic-producing areas totaling 4,268,000 short tons, raw value. An additional 952,000 short tons are allocated to the Philippines under the Philippine Trade Act of 1946. The difference between the fixed amount for the domestic-producing areas and the Republic of the Philippines and the estimate of consumption requirements is apportioned to Cuba and foreign countries other than Cuba and the Republic of the Philippines, on the basis of the same percentages ratios as are now provided in the Sugar Act of 1937, namely, 98.64 percent to Cuba and 1.36 percent to full-duty countries.

Let me give an estimate of what the Philippine deficiencies predicted over the next few years: 752,000 tons in 1948, 552,000 tons in 1949, 302,000 tons in 1950, and 202,000 tons in 1951 and 1952.

Mr. BARKLEY. Mr. President will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. BARKLEY. As the Senator recalls, in the committee there was a discussion with respect to the language of the bill authorizing the Secretary of Agriculture, if the Secretary of State

finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary—that is, the Secretary of Agriculture—to withhold or withdraw any increase in share, and so forth. A considerable number of American nationals have claims against the nationals of Cuba. It may be that some of them have claims against some public authority in Cuba. They felt that instead of simply giving authority or discretion to the Secretary of Agriculture, in the event the Secretary of State found that our nationals were being treated unfairly, there ought to be a mandatory provision with respect to his authority to press for the collection of claims in behalf of American nationals against people in Cuba. After discussing the matter in the committee it was decided not to offer an amendment of that sort, for obvious reasons which need not be gone into here. But there are numerous claimants in the United States against institutions and individuals in Cuba, who ought to be paid. There is no reason I know of why they should longer be denied settlement of their claims.

Out of deference to the diplomatic situation existing at this time, an amendment was not offered making it mandatory that the Secretary of Agriculture, upon a finding by the Secretary of State, proceed in a way that would seek to enforce payment of those claims. I should like to ask the Senator from Colorado, the very able and fair chairman of the committee, what he thinks our attitude ought to be, what his attitude ought to be, and what the attitude of the State and Agriculture Departments ought to be, as well as the attitude of the Cuban interests with respect to the payment of these just and honorable claims which our nationals have growing out of the sugar situation?

Mr. MILLIKIN. It seems to me, of course, that Cuba should pay acknowledged and adjudicated claims. There are many claims, I assume, which have neither been acknowledged nor adjudicated. There might be some technical difficulties with respect to adjudicated or acknowledged claims; but certainly a nation which is the beneficiary of the riches which flow to it from what we are granting in this act in the way of entry of Cuban sugar into this country ought to be willing to pay the just debts of American nationals. I see no reason why the subject should not be covered as it is in the bill. I believe it would be a mistake to make action compulsory on the Secretary. I believe that he should have flexibility of discretion, so that he may act justly, so that there would be no reason for proceeding harshly or in an arbitrary manner, and so that he would have leeway for the preservation of friendship and the attainment of justice to our nationals.

Mr. BARKLEY. I appreciate the reply of the Senator from Colorado. I should like to ask him whether his interpretation would be made along this line: In the case of the payment of just claims, claims which have been adjudicated or adjusted by any process by the Cuban people or the Cuban Government, or

whatever agency may have incurred the indebtedness, if there were a deliberate refusal to pay such just and honorable claims, would not that be regarded as a denial of fair and equitable treatment to the nationals of the United States, under the language of the bill?

Mr. MILLIKIN. I think that if the denial were arbitrary, with the intention of defeating a just debt, it would be proper ground for invoking the provisions of that paragraph.

Mr. BARKLEY. I appreciate the Senator's reply. Of course, we all sympathize with Cuba. We admire Cuba. We admire her people. We have had an intimate association with them for half a century, growing out of the Spanish-American War. None of us wants to do an injustice to the Cuban people or the Cuban Government or become arbitrary ourselves in dealing with them. Yet at the same time I think no one can deny our right to be interested in a reciprocal performance of the mutual obligations which exist between the two countries and their nationals.

In that accommodative situation and in that atmosphere, I have, myself, although requested by constituents of mine, declined to offer an amendment making it compulsory, on the ground and in the hope that it could be worked out amicably so that claims of our people would be adjusted and paid without a rigid requirement that the Secretary of Agriculture, under any finding of the Secretary of State, would be compelled to proceed in a certain way. Does the Senator from Colorado feel that that is a fair and just attitude, not only on account of our own nationals, but because of the situation between our country and Cuba in such matters?

Mr. MILLIKIN. I should think that Cuba would not object to seeing that the just claims of our nationals are paid. I am grateful that the Senator has not offered an amendment which would make action compulsory, because, after all, each claim has to be studied. There may be surface indications that lend the appearance of justice to a bad claim. But certainly with such matters in mind, I think that our Secretary of State should use his good offices to see that these claims are paid.

Mr. BARKLEY. Of course, I do not know all the details of the various claims which have been asserted and are being asserted by American nationals. I think it would be most unfortunate if there were any arbitrary refusal on the part of Cuba or her nationals to meet our own people in a spirit of accommodation and in a desire to liquidate these claims, whatever they may be, based upon the merits of the claims individually. I am not speaking of them en masse or en bloc or in groups. It may be that they vary in their merits. It may be that some claims have been longer delayed in their payment. Others may not have been adjudicated to the point where the exact amount may be known. But in any case there should be no effort on the part of our friend and neighbor, and I hope there is none, to delay unnecessarily the liquidation and payment of these claims in behalf of American citizens.

Mr. THOMAS of Utah and Mr. CHAVEZ addressed the chair.

The PRESIDENT pro tempore. Does the Senator from Colorado yield; and, if so, to whom?

Mr. MILLIKIN. I yield to the Senator from Utah.

Mr. THOMAS of Utah. Mr. President, before we leave this subject I should like to ask the Senator from Colorado a question. In the committee report, page 4, there is the following paragraph:

It is the intent of the committee that the nonpayment of valid claims which have been adjudicated or acknowledged by foreign countries shall constitute unfair or inequitable treatment within the meaning of section 202 (e). Representatives of the State Department appearing before the committee concurred in this construction of the language of section 202 (e).

My question is this: The Sugar Act is administered by the Département of Agriculture. Is there a concurrence of opinion between the Department of Agriculture and the State Department in agreement with the paragraph which I have read?

Mr. MILLIKIN. Whether there is a concurrence I cannot say; but the State Department has approved this paragraph and the Department of Agriculture has approved the bill.

Mr. THOMAS of Utah. There would be only one Department to pass upon what would be done to a defaulting nation, and that would be the State Department?

Mr. MILLIKIN. That is correct.

Mr. THOMAS of Utah. I wondered about it because the question arose in the House of Representatives. The understanding is complete within the committee, is it not, that the Agricultural Department will accept the judgment of the State Department?

Mr. MILLIKIN. Oh, yes; the Agricultural Department would have nothing to do with the prosecution of those claims or with the diplomatic interchanges necessary to have something done about them.

Mr. THOMAS of Utah. I thank the Senator.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Massachusetts has several sugar refineries within its boundaries, and I would like to ask the chairman of the Finance Committee if this bill, in his opinion, protects the sugar refineries in the United States.

Mr. MILLIKIN. In my opinion, it does.

Mr. SALTONSTALL. Does it give them all the raw sugar to which they are entitled?

Mr. MILLIKIN. It gives them all to which they are entitled under all the circumstances with which we are dealing. I do not believe that anyone who has joined in shaping this bill is 100-percent satisfied. If anyone were 100-percent satisfied, it would be a bad bill.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. LANGER. Can the Senator compare the benefits to Puerto Rico with those to Cuba in connection with the sugar program?

Mr. MILLIKIN. Cuba is the largest sugar producer in the world. Puerto Rico is a smaller sugar producer, but a very important one. Puerto Rico has a fixed quota under this bill, as has Hawaii and as has our domestic cane producers and our domestic beet-sugar producers. Puerto Rico has a definite quota which she can count upon putting into our market. Cuba has a varying quota with a minimum approximately equal to 28.6 percent of the consumption under the measurement requirements of the 1937 Sugar Act.

Mr. LANGER. How much does Puerto Rico furnish?

Mr. MILLIKIN. I will give the Senator the exact figures, and I think this is a good place to put them into the RECORD. Does the Senator wish to know the quota, or what they actually supply?

Mr. LANGER. The quota.

Mr. MILLIKIN. The Cuban sugar quota is a quota which varies and which is measured by adding together all of the fixed quotas, taking the estimate of consumption of the Secretary of Agriculture, subtracting the two, and giving Cuba 98-and-a-fraction percent of the result.

Mr. LANGER. Is it not true that Puerto Rico cannot compete with Cuba because of an Executive order issued by a former President—I think it was Mr. Wilson—whereby ships coming back without cargo can bring in sugar at a much less rate than the rate at which it can be shipped by Puerto Rico?

Mr. MILLIKIN. I would say that is not correct. Puerto Rico is shipping sugar into this country.

Mr. LANGER. Yes, but that is because there is a shortage of sugar. Where there is overproduction the situation is different.

Mr. MILLIKIN. This bill will meet the precise point to which the Senator is referring, because Puerto Rico will get an absolute fixed quota.

Mr. LANGER. Will it be at a fixed price?

Mr. MILLIKIN. There will be no fixed price.

Mr. LANGER. If there is no fixed price and Cuba gets the benefit of these cargoes of sugar at a less rate than the rate at which Puerto Rico can ship it here, why is not Cuba getting an advantage?

Mr. MILLIKIN. With reference to the price, the Secretary of Agriculture is supposed to make an estimate of consumption on a yearly basis. This estimate, measuring as it does the supply, has a profound effect on price.

Mr. LANGER. I am afraid I did not make myself clear. Suppose there is an overproduction of sugar, and suppose Cuba wishes to sell sugar and Puerto Rico wishes to sell sugar. The American buyer can buy sugar cheaper from Cuba than from Puerto Rico, because of the advantage under the President's executive order; is not that correct?

Mr. MILLIKIN. I would not say that each country could land its sugar in this country at exactly the same price.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. MILLIKIN. I yield.

Mr. LANGER. In the sugar bill, has any provision been made relative to the free shipment of Cuban sugar or the shipment of Cuban sugar at a lower price than Puerto-Rican sugar, due to the Executive order of a former President?

Mr. MILLIKIN. There is nothing in this bill that bears on that subject.

Mr. LANGER. How will it affect our people out West? In the Red River Valley there are hundreds of thousands of acres of land on which thousands of our farmers wish to produce sugar. Under this bill, will there be a limitation on the acreage, or will there not?

Mr. MILLIKIN. We shall have a fixed quota. The fixed quota will give room for expansion. The bill is temporary.

I may say to the Senator that there, again, each interest wishes to have more than it has. Inasmuch as I come from a beet-sugar area, I wish that that area had a larger quota. The cane-sugar people wish they had a larger quota. Everyone wishes to have a larger quota. But I think the quotas of the bill represent the best that can be worked out at this time.

Let me say that this is a 5-year bill. It is temporary legislation. We can look at it again in the future. In the meantime I may say that we are not producing as much sugar as we are allowed by the quota. We have room to grow.

Mr. LANGER. In the Senator's opinion, under this bill what will be the percentage of increase of acreage in the United States, over the acreage in 1938?

Mr. MILLIKIN. I cannot state it in terms of acreage, but I can state what we produced, as compared to what our quota is.

Under the proposed act, the domestic beet-sugar people have a quota of 1,800,000 short tons.

Let me give the Senator some of the history for the production in the last few years in regard to domestic beet sugar.

In 1940, we produced 1,897,000 tons of beet sugar.

In 1941, we produced 1,588,000 tons.

In 1942 we produced 1,726,000 tons.

In 1943 we produced 998,000 tons.

In 1944 we produced 1,056,000 tons.

In 1945 we produced 1,278,000 tons.

In 1946 we produced 1,523,000 tons.

Somewhere here I think I have a later figure. But those figures will give the Senator an idea that our quota under this bill is higher than our production of sugar in most of the recent years, although not higher than what we have produced in some past years.

Mr. LANGER. Of course, there would be no provision in law on this subject, I suppose; but has any investigation been made as to whether the people of Cuba are going to get a decent wage for the production of sugar?

Mr. MILLIKIN. We are able to impose certain controls as to our domestic sugar, but we have no right to impose controls so far as a foreign country is concerned.

Mr. LANGER. Then the big banking institutions that own this sugar land in

Cuba can pay 50 cents a day or \$5 a day, so far as this bill is concerned, can they?

Mr. MILLIKIN. This bill does not attempt to regulate wages in Cuba.

Mr. LANGER. So our farmers and producers will be in competition, if we may call it that, with producers in Cuba, without having any provision made for a decent standard of living for the peons of Cuba.

Mr. MILLIKIN. With this exception: If quotas were not provided by this act, and if we had a three-quarter-cent tariff, which is the tariff with Cuba, our farmers would not be producing any sugar. This bill will prevent that from happening.

Mr. CHAVEZ. Mr. President—

Mr. LANGER. Mr. President, I apologize to the distinguished Senator from New Mexico. He rose before I did.

Mr. MILLIKIN. Mr. President, I yield to the distinguished Senator from New Mexico.

Mr. CHAVEZ. Mr. President, the bill does not provide and cannot provide for control of wages in Cuba.

Mr. MILLIKIN. That is correct.

Mr. CHAVEZ. That point should be made clear.

Mr. MILLIKIN. Yes.

Mr. CHAVEZ. But it does provide, in a unilateral way, that this country can tell Cuba when a claim is just and when it is unjust. Subsection (e) of section 202 so provides, does it not? Is not that what it means?

Mr. MILLIKIN. I have stated that we have no right to regulate wages in Cuba, and we do not attempt to do so. That is an internal matter affecting the citizens of Cuba.

The paragraph to which the Senator takes exception relates to the claims of American nationals against Cuba.

Mr. LANGER. Very well. Then we do not have the right to tell Cuba what she shall pay in wages, but we do have the right to tell Cuba whether such claims are just, whether such claims should be paid, or whether the claims should be executed without allowing the Government anything to say about it? Is that the interpretation of section 202, subsection (e)?

Mr. MILLIKIN. Mr. President, that paragraph, under its terms, gives certain discretions to the Secretary of State. I do not believe for one moment that it could properly be assumed that he would act in an arbitrary manner in reference to such claims. His job is to preserve peace between this country and other countries.

In the colloquy I had with the distinguished Senator from Kentucky, I hope I made it very clear that to my mind it will be a mistake to make it mandatory upon the Secretary of State to enforce his opinion in these matters, and that the best we can do is to give him discretion, which, I respectfully suggest, we must assume will be exercised wisely and in the interest of good foreign relations.

Mr. O'MAHONEY. Mr. President, if the Senator will permit me to say a word in that connection, I may say to the Senator from New Mexico that, as I understand the provision, certainly the language of the bill does not give the Secre-

tary of State the power himself to adjudicate any claim. But it merely provides, as the report itself shows, on page 4, that this particular section shall become effective when claims have been adjudicated or acknowledged by foreign countries as being valid.

So the adjudication of the claim is to be handled according to the customary procedure now followed, and is not affected by anything in this bill.

Mr. MILLIKIN. Mr. President, it seems to me that the Senator is entirely correct.

Mr. CHAVEZ. I am sorry I cannot agree with that because I interpret subsection (e) in a different way. Who finds whether or not a country has been equitable and just to our citizens? Our Secretary of State. Who puts in the claim? Our Secretary of State.

Mr. O'MAHONEY. The Senator is mistaken about that.

Mr. CHAVEZ. I know that the Senator from Wyoming has been right many times, but I do not believe he can be right 100 percent all the time.

Mr. O'MAHONEY. The legislative intent of this provision is clearly stated in the report and it has now been stated by the Senator in charge of the bill in response to the inquiry of the Senator from New Mexico. The claims which are the subject of this particular section are those claims which are adjudicated and acknowledged by the foreign countries. In other words, there is nothing in the bill which in any way alters or changes or adds to or subtracts from the present method of adjudicating the claims of nationals against a foreign country. But it is provided in the bill merely that when a claim has been so adjudicated and so acknowledged then this provision dealing with the new quota which is being extended to foreign countries may be so administered as to be an effective instrument for collecting an already acknowledged claim.

Mr. CHAVEZ. I wish I could agree with the Senator from Wyoming as to that interpretation.

Mr. O'MAHONEY. That is the legislative history, and what has been said in the report, and what has now been said on the floor of the Senate, would be taken into consideration in any court.

Mr. CHAVEZ. I wish I could agree with the Senator from Wyoming. I cannot do so, but I do not desire to interrupt the Senator from Colorado in explaining the provisions of the bill.

Mr. MILLIKIN. If the Senator is going to offer his amendment, I should like to go into it more fully at that time, rather than divert to it now.

Mr. ELLENDER. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. ELLENDER. A moment ago the Senator was discussing quotas for various domestic producers. Is it not a fact that irrespective of the determination made for our subsequent requirements, all domestic producers shall receive 4,268,000 tons?

Mr. MILLIKIN. That is correct.

Mr. ELLENDER. And if the determination, let us say, should be 7,500,000 tons, Cuba would get 98.64 percent of the

difference between 7,500,000 and the aggregate that is allowed to the domestic producers, which would include continental producers and Hawaii, Puerto Rico, and the Virgin Islands, plus the Philippines?

Mr. MILLIKIN. We would have to add the Philippine deficit in that.

Mr. ELLENDER. I am assuming in my question that the Philippine Islands will produce their entire production. If there should be a deficit, then under another section of the bill 95 percent of the deficit would go to Cuba?

Mr. MILLIKIN. That is correct.

Mr. ELLENDER. And the remainder to foreign countries?

Mr. MILLIKIN. The Senator is correct.

Mr. ELLENDER. That is exactly correct?

Mr. MILLIKIN. Yes.

I should like to explore briefly a little further the paragraph of the bill to which the distinguished Senator from New Mexico objects.

Section 202 (e) is a new provision under which the Secretary is authorized to withhold or withdraw any increase in the quota for any foreign country over that provided for such country under the Sugar Act of 1937 upon a finding and notification by the Secretary of State that such country denies fair and equitable treatment to nationals of the United States, its commerce, navigation, or industry. In the event that any quota, or any portion thereof, is withheld or withdrawn pursuant to this section the amounts so withdrawn are to be allocated proportionately among the domestic producing areas, and if the domestic areas are unable to fulfill such amounts so allotted the amounts unfilled may be allotted by the Secretary to foreign countries which do not deny fair and equitable treatment to nationals of the United States.

It has been brought to the attention of the committee that there have been instances where nationals of the United States have been unable to collect pecuniary claims from foreign governments notwithstanding the fact that, in many instances, the validity of such claims has been acknowledged by, or adjudicated in the courts of, such foreign countries.

It is the intent of the committee that the nonpayment of valid claims which have been adjudicated or acknowledged by foreign countries shall constitute unfair or inequitable treatment within the meaning of section 202 (e). Representatives of the State Department appearing before the committee concurred in this construction of the language of section 202 (e).

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. CHAVEZ. I refer to the last paragraph of the report:

Representatives of the State Department appearing before the committee concurred in this construction of the language of section 202 (e).

That is the language of the bill. Did the committee inquire from the same representatives of the State Department whether they approved of the language?

Mr. MILLIKIN. I have made inquiries, and the State Department approves.

Mr. CHAVEZ. Did the committee have any statement in writing from the State Department?

Mr. MILLIKIN. No; we had nothing in writing.

Mr. CHAVEZ. Does not the Senator think that in a matter of this importance the committee should have something in writing from the State Department? Whom in the State Department did the Senator ask to say that they approved of that particular language?

Mr. MILLIKIN. I made inquiries of the gentlemen who are in the division of the State Department which would be concerned with matters of this kind, and they told me that the State Department approved of that language.

Mr. CHAVEZ. I thank the Senator.

The PRESIDENT pro tempore. May the Chair ask the Senator at that point for his opinion whether similar language appears in some other international documents?

Mr. MILLIKIN. Yes; I shall come to that right now. I had intended reserving it until the Senator brought up his amendment.

There is nothing new whatever about language of this type to protect nationals of the United States from being discriminated against. The Trade Agreements Act under which we make our reciprocal trade agreements contains this language; I am quoting from United States Code, title XIX, section 1351:

The proclaimed duties and other import restrictions shall apply to imports the growth produce or manufacture of all foreign countries whether imported directly or indirectly; provided that the President may suspend the application to articles the growth produce or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in this section.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. PEPPER. The only concern I have about this matter is whether it imposes upon the Cuban Government and people any obligation with respect to nationals of this country which is not a reciprocal obligation upon the Government of this country with respect to the nationals of Cuba. A little while ago I fear we tarnished somewhat our distinguished record for giving independence to the Philippines by assuring privileges for America in the Philippines which, so far as I know, we did not assure the Philippines in respect to the United States.

Mr. President, that is not mutuality; that is not the good-neighbor policy; that is not the policy I believe the people of this country wish to pursue. I wish to be very clear that this is a reciprocal obligation that the same benefits which we confer upon our business people with respect to the right of penetration into Cuba shall redound to the nationals of Cuba who wish to penetrate into the economy of the United States. Less than that is unworthy of a great country, and

I am sure the able Senator from Colorado would not knowingly associate himself with it.

Mr. MILLIKIN. Mr. President, I should like to say that the language in this bill which we are discussing is associated with a definite privilege which we are extending to Cuba. Whether Cuba makes the same claims with respect to any privilege that she extends to us, I am not in a position to say. I do not think that this pretends to be a complete statute of reciprocity. It is not a reciprocity statute at all. It is a unilateral action, in which unilaterally we confer great benefits on Cuba, and attach what seems to me to be the modest provision that our nationals shall not be discriminated against.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. MILLIKIN. I yield.

Mr. PEPPER. I have not examined critically this provision, but I heard something to the effect that the purpose of the amendment is to require certain Cubans to pay some debts to somebody in the United States. I am sure I may have been out of the chamber when the Senator gave the previous explanation. Would the Senator succinctly tell me what the basis of this thing is?

Mr. MILLIKIN. I believe that there are claims by American nationals against the Cuban Government and agencies of the Cuban Government, which have been adjudicated or acknowledged as just, which have not been paid. That is one category. And now, without mentioning Cuba—in a sense I think it is unfortunate that we single out a particular country for discussion here in this debate—without mentioning Cuba, there are other types of discrimination which injure good international relations. There are shipping restrictions. There are restrictions against work opportunities for our nationals. It is sometimes impossible for American nationals in business in certain foreign countries to send in their own auditors to look into their own businesses, built there with their own capital. This sort of clause is not necessarily related to the single matter of claims. I think it goes to other forms of discrimination.

Mr. PEPPER. Mr. President, are these claims related to the Sugar Act in any way, or are these merely claims that grow out of something disassociated from the sugar quota or the Sugar Act which is now in force?

Mr. MILLIKIN. I may say to the Senator that so far as I know they are not directly associated with sugar. They constitute as far as I know a miscellaneous group of claims against Cuba and Cuban agencies, which have been acknowledged as just, or adjudicated, and there are many claims in addition which have not been adjudicated and which have not been acknowledged.

Mr. PEPPER. Is not the effect of this provision that we are now discussing that unless the Cuban Government settles the claims in a way satisfactory to the United States, they cannot take advantage of the quota provisions allowed them under the bill.

Mr. MILLIKIN. It does not go that far. In the first place, the right of the Secretary to withhold the privileges of this act goes only to certain increases that will be above a minimum which Cuba would get in all events. The provision has in contemplation a distinct privilege which we are bestowing upon Cuba, and in connection with that, we are asking that Cuba be just to our nationals.

Mr. PEPPER. Mr. President, if the Senator will allow this observation, during the war Cuba did a particularly generous thing, a reciprocally advantageous thing to us. We lacked sugar, and Cuba had sugar, and she furnished it to us. Now, we have determined the quota that Cuba may send into this country. But, Mr. President, what seems to me, if I may say so, to be the wrong approach of this provision, is for us in a sugar bill dealing with sugar quotas to lay down conditions which the Cuban Government must meet with respect to certain claims that some of her nationals, or her Government may owe to nationals of the United States.

Mr. President, it seems to me that if there are any unpaid Cuban claims, surely that is a matter of direct negotiation between our Government and the Cuban Government. I have sufficient faith in the good will of the Cuban Government and their known confidence in our good will to believe that our two countries can bring about the adjustment of any differences between them. But for us, here in the Congress, to go outside the executive branch of the Government and to say that the Cuban people cannot enjoy the right to send sugar into the United States unless some Cubans, who may not be sugar growers at all, pay certain claims to somebody in the United States, seems to me to be the wrong approach to this matter, and to impose a condition which I believe it is not in the furtherance of our friendship to impose in this legislation.

If the President or the State Department tell us that they have tried to settle the claims, and the President asks us to put a sort of embargo on Cuban exports into this country until they meet his demands, then I would be willing to consider the President's recommendations; but I am not disposed, without a recommendation from the President or the State Department—which I am not advised of, and, so far as I know, does not exist—to have the American Congress place a condition in the sugar bill under which the people of Cuba cannot enjoy the quotas we prescribe for them, unless somebody in Cuba pays certain claims to somebody in the United States, which claims apparently have not been paid.

Mr. MILLIKIN. Mr. President, I understand the Senator's viewpoint. I merely want to suggest that in connection with the great privilege which we are bestowing upon Cuba, it certainly can be argued that it is inappropriate to say, "Give us a little reciprocation in the way of fair treatment to our nationals."

I do not know whether the distinguished Senator from Florida was in the room when I read from our Reciprocal Trade Act.

Mr. PEPPER. Yes; Mr. President, I was present and heard that.

Mr. MILLIKIN. I want to read a provision which also is in our law, which gives us the power to protect ourselves against discriminations having to do with shipping. I am quoting now from the United States Code, title 46, section 142. I am simply trying to make it clear that these protective measures in our laws are not at all unusual. The Senator a while ago referred to the Philippine Trade Act. We have a protective clause of that kind in the Philippine Trade Act.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. PEPPER. Yes, Mr. President; I am glad the able Senator from Colorado read that language, because I think that is the way to handle such a situation as this. The Senator will note two things about the language which he read. First, it says in substance that if other people do not allow our ships to go to their ports without discrimination, then we will not, perhaps, allow their ships to come to our ports without discrimination. That is in respect to the class of vessels.

The second, and the important, thing I noted in the language the Senator read is the fact that the Congress gave the power to the President to determine when to use a prohibition which the Congress placed in his hands as a weapon. We do not exercise it arbitrarily here in the Congress. If we should state that the Chief Executive of our country, who represents us in negotiations with other countries, shall have certain power, when he makes demands with respect to practices detrimental to our commerce and they are not met by foreign countries, I would be willing to have that provided in this case, but the Senator from Colorado is proposing an entirely different thing. These claims are not in respect to the Sugar Act or the sugar question, and, in the second place, we do not give our President authority to impose these conditions and restrictions if Cuba does not meet our just demands. We in the Congress arbitrarily impose them.

I think the language the able Senator read is exactly the way the matter should be handled, but it is different from the way it is handled in the Sugar Act.

Mr. MILLIKIN. Mr. President, I have read language to the Senator which is closely related to a single subject matter. I have also read language which is much broader. I have also referred to the Philippine Trade Act where similar protective provisions are included.

The Senator has mentioned that he would have a more approving feeling toward the legislation if the President were involved. It is inconceivable to me that the Secretary of State would initiate any important actions against an independent government like Cuba without the knowledge or approval of the President of the United States.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. Yes.

Mr. PEPPER. Will the Senator tell us whether either the President or the State Department have recommended or been consulted with upon this amendment?

Mr. MILLIKIN. I understand the State Department has approved the paragraph.

Mr. PEPPER. Does the Senator know that of his personal knowledge? If he does, of course I shall take his word for it. I wondered if there was any communication from the State Department.

Mr. MILLIKIN. I have talked to representatives of the State Department who assured me that is correct.

Mr. O'MAHONEY. Mr. President, will the Senator permit me to add a word?

Mr. MILLIKIN. Yes.

Mr. O'MAHONEY. I will say to the Senator from Florida that it is my understanding that the provision was written into the bill at the request of the State Department. It did not come from any Members of the Senate or, so far as I know, from any Members of the House who have been interested in securing extension of the Sugar Act.

Mr. PEPPER. Can the Senator tell us whether anyone encouraged the State Department to make such recommendations, or did the State Department initiate the contact with the Congress and voluntarily make the recommendation?

Mr. MILLIKIN. The State Department initiated the inclusion of the paragraph in the bill.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. PEPPER. I will make one more observation and then, probably, will not take the time of the Senator hereafter.

Mr. President, the best relations the United States Government has had in its history, I believe, were in the days when the good-neighbor policy was the foreign policy of the Government of the United States, when we did not take advantage of our power to impose upon any weaker people conditions that were peculiarly advantageous to us.

It seems to me an extraordinary thing, without us hearing anything about it, that there are unpaid claims of some American nationals from the Cuban Government, or somebody, that the President of the United States has not been able to collect, and that we have got to impose what amounts to an embargo on Cuban sugar exports into the United States in order to get her to pay those claims. It is a surprising doctrine to me that the Congress has become the collecting agency of American creditors. I think that is detrimental to our good relations with our sister Republic of Cuba. I am afraid they will regard it as another evidence of the "big stick" on the part of the United States Government. That is not in the interest of peace. That is not in the interest of the best understanding and the warmest friendship between our two great countries. I exceedingly regret the effort which is made in the bill to make the Congress of the United States the collecting agency for some American credi-

tors about whom we do not even know—at least, so far as I am concerned, that is true—while we are considering the legislation.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. McMAHON. I can only say that I have learned with the deepest regret that our State Department initiated the provision which is contained in the bill. It is contrary to the conditions we have been trying to develop in our relations with our South American neighbors. It flies in the face of the good-neighbor doctrine. I deeply regret that it is included in the bill and I am surprised to learn that the State Department initiated it.

Mr. MILLIKIN. Mr. President, while we are granting these great privileges to other countries I think we have a right to ask in turn that our own nationals be treated fairly. There cannot be any other foundation for wholesome and healthy foreign relations. I do not believe the Secretary of State is going to use his office as a collection agency. He has a duty to perform with respect to the just claims of American citizens. If he did not perform them we would criticize him. I do not see any harm in equipping him with a little bit of quid pro quo which will help him do justice to the people who are offering this great privilege to Cuba.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. McMAHON. The Senator speaks about a little quid pro quo. I think that is a masterpiece of exaggeration, for the Senator's little quid pro quo amounts to the power to strangle this good neighbor of ours down in the Caribbean, because if we shut off her sugar we shut off her life's blood and we kill her.

As I understand, the claims in dispute, the justice of which I do not pretend to judge, were incurred under another administration, and are strenuously disputed by the present administration of the friendly Government of Cuba. I simply want to point out that when we are putting the power in the Secretary of State to shut off sugar importations from Cuba if the claims against Cuba are disallowed, we are giving the power to the Secretary of State to execute a death warrant on that Republic.

Mr. MILLIKIN. It has been made very clear that the language does not contemplate pushing claims which have not been adjudicated or which have not been acknowledged.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. O'MAHONEY. I was about to add one further statement. The Senator from Connecticut is mistaken if he believes that the provision of the bill would permit the State Department or the Department of Agriculture, or require the Government of the United States, in any way to shut off imports. It deals only and exclusively with the excess quota which is here granted, a quota which heretofore was assigned to

the Philippines, and to which the domestic producers had some claim.

Moreover, it ought to be made clear again that this provision does not make the United States a collecting agency. It does not make the Congress of the United States a collecting agency. It is clearly stated that the meaning of this provision is simply that when a foreign country, by its own judicial processes, by its own constitutional act, acknowledges a claim, then the failure to pay that claim shall be regarded as unfair and inequitable treatment. But this does not take away from any foreign country the right and the power to adjudicate claims according to its own system of adjudication.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. VANDENBERG. In view of what has been said, I am bound to make my comment on the situation.

I concede that the Government of the United States and the Government of Cuba are entitled to have a reciprocal arrangement under which they each insist upon the recognition of the claims of the other; and a general protocol or convention to that effect is perfectly sound. If, ultimately, it is violated, I know of no reason why the Government of the United States should not be entitled to look to any recourse available to it. But I cannot for the life of me understand why such an arrangement should be part of a sugar treaty, to be paid in terms of sugar, when it involves a fundamental question of reciprocal rights.

Mr. MILLIKIN. Mr. President, the sugar benefits which are provided for Cuba are the basis of the reciprocal rights to which the Senator refers.

Mr. VANDENBERG. May I ask the Senator another question? Let us have the record perfectly clear that there is not a single thing about this particular section which is of the slightest interest to our domestic sugar growers, our domestic sugar processors, or producers. They have no interest whatever in it. Is that true, or is it not?

Mr. MILLIKIN. That is true. The Government of the United States, not the producers or processors, is giving this fabulous cornucopia of benefit to Cuba; and as a related act of reciprocity, if we wish to put it that way, it has been provided that our own nationals shall be treated fairly.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. CHAVEZ. Are not the purposes of the bill "to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries"? What is there in this particular section, section 202, subsection (e), which has anything to do with the purport of the bill which we are now considering? Senate bill 1584, a companion bill to the House bill now being considered, was introduced by the Senator from Colorado [Mr. MILLIKIN], the Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Nebraska

[Mr. BUTLER], the Senator from Washington [Mr. CAIN], the Senator from Oregon [Mr. CORDON], the Senator from Idaho [Mr. DWORSHAK], the Senator from Louisiana [Mr. ELLENDER], the Senator from Montana [Mr. ECTON], the Senator from Michigan [Mr. FERGUSON], the Senator from Vermont [Mr. FLANDERS], the Senator from Georgia [Mr. GEORGE], the Senator from South Dakota [Mr. GURNEY], the Senator from Arizona [Mr. HAYDEN], the Senator from Florida [Mr. HOLLAND], the Senator from Colorado [Mr. JOHNSON], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Arizona [Mr. McFARLAND], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Nevada [Mr. MALONE], the Senator from Louisiana [Mr. OVERTON], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. PEPPER], the Senator from Wyoming [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Idaho [Mr. TAYLOR], the Senator from Minnesota [Mr. THYE], the Senator from Michigan [Mr. VANDENBERG], the Senator from Nebraska [Mr. WHERRY], the Senator from Utah [Mr. WATKINS], and the Senator from North Dakota [Mr. YOUNG]. What was the purpose of those Senators in getting together? Was it to make the Congress of the United States or the State Department a collection agency or was it, as the bills says, "to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries"? I ask the Senator what was the purpose of those Senators in getting together?

Mr. MILLIKIN. The purpose of the sponsorship was to sponsor a sugar bill, and that is what we have here.

Mr. CHAVEZ. Is not the Sugar Act a stabilization act to stabilize the sugar industry?

Mr. MILLIKIN. That is one of the purposes of the act.

Mr. CHAVEZ. Is it not a fact that section 202, subsection (e), is a brand-new section which has never before appeared in a sugar bill?

Mr. MILLIKIN. It is also a brand new thing for Cuba to have the increase in sugar which is granted to her by this bill—at the expense, one might argue, of the American producers. Therefore it is not entirely inappropriate, I suggest, while we are doing this generous and fine thing for Cuba, to ask that our own nationals be treated fairly.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. FULBRIGHT. The Senator from Colorado has emphasized two or three times that we are doing a great act for Cuba. I think he used the expression "a great cornucopia," or outpouring. Is it not true that Cuba happens to purchase great quantities of our products?

Mr. MILLIKIN. Yes.

Mr. FULBRIGHT. And that it is of mutual advantage to trade with Cuba?

Mr. MILLIKIN. Exactly.

Mr. FULBRIGHT. Does not she purchase our machinery and our automobiles?

Mr. MILLIKIN. Yes.

Mr. FULBRIGHT. Among other items from my own State, she purchases rice. I think she is the largest purchaser of rice produced in Arkansas.

Mr. MILLIKIN. That is correct.

Mr. FULBRIGHT. I do not think it is quite fair to leave the impression that this is purely charity. We are trying to promote mutually beneficial trade, are we not?

Mr. MILLIKIN. The Senator is correct. Also, it should be remembered, our own people who raise sugar beets, or would like to do so, buy those same things.

Mr. FULBRIGHT. I think the Senator from Michigan had the correct view. Since this is a treaty dealing with trade, the kind of procedure provided in section 202 (e) is wholly unwarranted.

If this question were to be decided by an international court, or by arbitration, as our differences with Mexico are decided, that would be another thing. All our difficulties with Mexico are covered by arbitration. In connection with the water treaty, which received so much attention from the able Senator from Colorado last year, the great point was made as to the fine relationship which we enjoyed through the practice of arbitrating our differences with Mexico. That would be a very different thing, and I would have no objection to such an arrangement.

Mr. MILLIKIN. The distinguished Senator was not in the Chamber when I read from two or three precedents which show that this is no unusual measure of protection for the United States to take.

Mr. FULBRIGHT. Even if it is not unusual, I think it is very bad.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. LANGER. Can the Senator give us a definition of "nationals" in line 18 on page 8?

Mr. MILLIKIN. I should say that a citizen of the United States is a national of the United States.

Mr. LANGER. Would that include a corporation, a bank, a partnership, or an association?

Mr. MILLIKIN. I believe it is broad enough to include a bank, corporation, or association.

Mr. LANGER. So if Cuba owed a bank in this country, and the bank wanted to collect, it could go to the office of the Secretary of State, and he would have the power under this section to say, "We will not buy sugar unless you pay that debt."

Mr. MILLIKIN. I cannot think of that turn of events. If we are going to try to get American capital into foreign countries—and that seems to be a part of our national policy—I do not see how we can do it except by following the corporate form. If we follow the corporate form, it seems to me that we must give it protection as well as individuals or associations.

Mr. LANGER. Frankly, I cannot follow the reasoning of the distinguished Senator. If a bank in this country loans money to Cuba, why should it loan it unless it has some security? Why should our Government permit a sugar deal to protect the investment?

Mr. MILLIKIN. In the first instance, it is not a question of why we should protect the investment, the first question is, Why should not Cuba protect the investment?

Mr. LANGER. Why should we hold a pistol at Cuba's head?

Mr. MILLIKIN. I would not favor that.

Mr. LANGER. In that section of the bill it is stated that the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country. Why is not that holding a pistol to Cuba's head?

Mr. MILLIKIN. Any time there is a right to withdraw from a contract or a right to terminate any kind of an arrangement or do that which might inconvenience or injure someone else, the argument can be made that there is a pistol at the other fellow's head. It seems to me it is a lurid way of expressing something that probably will not happen.

Mr. LANGER. But it may happen.

Mr. MILLIKIN. I doubt very much that it would happen. But let us look at it. We are giving Cuba a great increase in the cut in the American sugar market, and we want the fair and just debts of our nationals paid. Is that putting a pistol to Cuba's head?

Mr. LANGER. That is exactly what it is.

Mr. MILLIKIN. I do not view it that way.

Mr. President, under the existing Sugar Act it has been within the power of the Secretary of Agriculture to exercise a certain regulation over the wages of the employees of the farmers and over the prices received by the farmers for their cane sugar or their beet sugar. In the case of cane sugar on the mainland of this country and also in our possessions it often happens that the processor is also a big owner of the production, and it can be reasoned from that that he has the opportunity to depress wages and, possibly, to depress the price of the product which is offered to his plant.

I assume that that is the theory on which the act grants those regulatory powers. But in the beet-sugar areas only approximately one-fifth of the acreage of diversified farms is given to the production of beet sugar. Beet sugar is competitive with a number of other crops. It is competitive with beans, with wheat, potatoes, and forage crops. It is so competitive, in fact, that during the war, because the other crops carried higher prices under the encouragement of the Government, there was a certain drop in beet-sugar production. The labor that works on sugar beets is competitive with the labor that works on the other crops in the same area. The processor there does not control the production of the beets. The farmer himself controls the production of the beets, and he is in position to deal at arm's length with the processor. The processor has to obtain the beets because he has an enormous investment in his plants. He has to make his contracts with the farmer. If he cannot make a good contract, the farmer can go into the production of beans, wheat, potatoes, or other crops. Therefore, so far as a price is concerned, it is

an arm's-length price, and there is no just reason why the farmers in those areas should be subjected to that kind of control.

We have added in the Senate an amendment designed, in brief, to eliminate the sugar-beet areas from those provisions. There has been objection to that amendment. We are confronted with the necessity of getting a sugar bill by tomorrow. Therefore, most reluctantly, I shall offer a motion to amend the bill by striking that provision; but I wish to say that at least so far as I am concerned, the subject is open whenever we come to the consideration of future sugar legislation.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. TAYLOR. I will say to the distinguished Senator from Colorado that I am very happy to hear him say that he is intending to make a motion to strike, because if he had not I would have been compelled to make such a motion myself. I think that is the proper thing to do. It is an unnecessary provision.

Mr. MILLIKIN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 23, to strike out all of paragraph (3) of subsection (c) of section 301.

Mr. PEPPER. Mr. President, as I understand, that simply means that the paragraph is stricken out, and the House provision on that subject will be taken?

Mr. MILLIKIN. That was added in the Senate. It was proposed from the floor of the House and was defeated there. So, in order to save discussion here and to save a possible stalemate in conference with the House, I am asking that that provision be stricken.

Mr. PEPPER. So that the provision protecting the grower and the worker, which appeared in the 1937 bill and which has appeared in a subsequent bill and is incorporated in the House bill, will also go into the Senate bill?

The PRESIDING OFFICER. The Chair wishes to address a question to the Senator from Colorado. Is this a committee amendment which has not been acted on by the Senate?

Mr. MILLIKIN. It is.

The PRESIDING OFFICER. If the amendment has not been adopted, rather than moving to strike, would it not be a question of merely not approving the committee amendment?

Mr. MILLIKIN. If it is permissible I should like to move that the paragraph be stricken. It is also agreeable to me that the amendment be voted down; but before the question is put I should like to say this: The Secretary of Agriculture has written a letter to the California Beet Growers Association, Ltd., under date of July 17, 1947, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., July 17, 1947.
CALIFORNIA BEET GROWERS ASSOCIATION, LTD.,
Stockton, Calif.

GENTLEMEN: In connection with the proposed Sugar Act of 1948 which is now before the Senate, Mr. Gordon Lyons has told us

that your association is particularly concerned about the timing of the fair and reasonable wage determinations if the legislation as finally enacted should provide for such determinations in the sugar beet areas.

We have refrained from making advance statements as to how we propose to administer specific provisions of the proposed legislation because most of such provisions must necessarily be administered in the light of conditions existing at the time the specific provisions are applied. However, the question which Mr. Lyons has raised is one which can be answered by a general policy statement which can be made at this time.

In making determinations of fair and reasonable wages it will be our policy to make the necessary studies, hold the necessary public hearings, and issue the formal determinations in such manner that the determinations can be announced prior to the time the labor, to which such determinations are applicable, is performed. It will be our policy to issue the determinations in such manner that it will not be necessary for farmers to make retroactive wage adjustments as a result of such determinations. This, of course, does not apply to areas in which wage scales are tied directly to average prices for sugar.

Sincerely yours,

CLINTON P. ANDERSON.

This letter from the Secretary of Agriculture makes it easier to take the action which I am proposing, because a great deal of the objection has come from the fact that the wage determinations have been made after the workers have been paid and have scattered all over the country. Great inconvenience, uncertainty, loss, and annoyance have resulted from that.

Mr. ELLENDER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Does the Senator from Colorado yield to the Senator from Louisiana?

Mr. MILLIKIN. I yield.

Mr. ELLENDER. As I understand the situation, if this amendment is not placed in the bill as passed by the Senate, that will mean that the bill as the Senate passes it will be in exactly the same form as it was when it was passed by the House, and thus the bill will not have to go to conference. Is that correct?

Mr. MILLIKIN. That is correct; it will then be passed by the Senate in exactly the same way as the House has passed it.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. CONNALLY. Mr. President, I think it is most unfortunate to include in the sugar bill the provision found in subsection (e) of section 202, with reference to the action of foreign governments in regard to debts owed to American citizens. In the present posture of the world's affairs, we have been endeavoring to bring about continental and hemispheric solidarity with the Latin-American nations. We are soon to have a conference with them at Rio de Janeiro. I think it is most unfortunate that the financial or commercial motive should be brought up.

This subsection provides that—

(e) If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary

shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937:

And so forth. Mr. President, these matters should be handled through diplomatic channels, as they always have been. We are not the guarantors in respect to the commercial transactions of American citizens who go to foreign countries to do business. When they go to foreign countries for that purpose, they take the hazard incident thereto, just as they do at home.

Of course, I wish to see American nationals receive their just dues; but this provision puts upon us the moral duty of adjudicating these claims and saying what claims are just and what claims are not just.

I know the report says they must be agreed upon or adjudicated, but I find nothing in the bill that provides a limitation as to what is to be adjudicated or acknowledged.

Mr. MILLIKIN. Mr. President, I wish to say that it was made very clear in the House report, and it has also been made very clear in the discussion here that that is what is meant.

Mr. CONNALLY. Mr. President, we are not legislating on the basis of reports or on the basis of what is said in the discussion on this floor. We are legislating on the basis of what is written into this bill.

A lawyer who is trying a law suit, looks to the statute, unless it is ambiguous or uncertain, in which case he may rely upon the action of legislative bodies in considering it, or upon contemporary constructions.

But now we are considering the language of this bill. It gives to the Secretary of State himself the right to pass on these matters; but we know that the Secretary of State himself will not be able to pass on all of them. Some person at the head of the Latin-American Bureau or the head of the Cuban Bureau or the head of some other bureau, will determine these matters. Then, instead of acting in the interest of peace and fair dealing and good will, this procedure will stimulate quarrels, perhaps, over insignificant amounts of money, for that matter, between the United States and foreign governments.

I hope very much that the Senator from Colorado in his wisdom and good judgment, which are manifest on many occasions, will not insist upon retaining that clause in the pending bill. I wish to see the Congress enact a sugar bill, of course; but I wish to see the Congress enact a sugar bill that we can stand upon, and on the basis of which we can look the world in the face, and not appear as a Shylock demanding either a pound of sugar or a pound of flesh.

So I hope the Senator from Colorado will agree to have the provision removed from the bill. I do not wish to see our international relations based upon money considerations, or considerations of how many ounces of gold are to be received. I want our foreign relations placed on a high and lofty plane. The only way we can do that is to treat other

governments as equals, and not attempt to coerce them or put pressure upon them.

For instance, a United States national who has left New York and has gone to a foreign country and engaged in business there, may have a good claim or a bad claim on the basis of some transaction in which he has engaged in the foreign country. But the claims of such persons can be examined in a proper and impartial way, and the foreign government can see to that. So I hope this clause will not be retained in the bill.

We should let these claims be settled by diplomatic means. We have treaties with most foreign nations. I cannot enumerate them all now; but, of course, we have trade treaties with most of the nations of the world, and usually such treaties contain provisions relative to the handling of commercial transactions and the settlement of disputes connected with them, either by means of tribunals or in other ways.

So I appeal to the Senator from Colorado not to base this bill upon the cold, hard-boiled consideration of how many dollars we can squeeze out of someone on the threat that we will not let them have a sugar quota unless we can exact from them an agreement as to a system of requiring the payment of the claims of our citizens.

Mr. MILLIKIN. Mr. President, that was not my purpose.

Mr. CONNALLY. Mr. President, that is why I ask the Senator from Colorado to agree to have the provision deleted from the bill. I knew it had been suggested by someone else.

Mr. MILLIKIN. Mr. President, I repeat, that in a bill in which we are giving Cubans very generous and handsome treatment, it is not inappropriate also to have in the bill a provision which will assure fair treatment of our nationals. I do not think that is something at which Cuba should take offense. Certainly it is not something at which a United States national should take offense.

I think it cannot possibly jeopardize our international relations. Many persons believe that these things should be on sort of a two-way road, and that when we are dealing generously with other nations they should deal generously and fairly with our nationals.

Mr. CONNALLY. Mr. President, I wish to say to the Senator that we have an ambassador in Cuba, we have an American embassy with a staff, an enormous staff, and all sorts of employees who may present these claims to Cuba and insist upon fair and equitable treatment. Relations between Cuba and the United States since the Spanish-American War, as the Senator knows, have been on a rather fatherly sort of basis, and I want them to continue that way. I do not want to endanger the cordial relations for a few pounds of sugar. We sell commerce in Cuba. If one goes to Cuba and wants to ride up from the station he gets in a Ford, or a Plymouth, or some car of that kind, that we are selling down there. It is the business of the seller to get his money. We cannot send a policeman around with every shipment of commerce to Central or South America or anywhere else.

I hope very much that the good intentions which I know the Senator from Colorado possesses, and the policy about which I know he is so greatly concerned, will cause him to withdraw this provision.

Mr. MILLIKIN. Mr. President, I would not want the Senator to get the impression that I have a light-hearted view of this matter. The House of Representatives has passed this provision and it is in the Senate bill. To take it out might pull down the whole thing in dispute with the House, and I think the provision is something which can be sustained on its merits. Most respectfully I say, I do not believe it should be taken out of the bill.

Mr. CONNALLY. Mr. President, when did a House bill become so sacred that because a provision is in a House bill the Senate cannot amend it? All day we have been amending House bills, and that is what we have been doing all session. They amend our bills, do they not?

Mr. President, the House of Representatives does not mind amending Senate bills. The Senator says "Why, it has not only passed the House, but it is in the Senate bill." Suppose it is in the Senate bill; we can amend the bill, can we not? We have a right to amend it if it appeals to our judgment that it should be amended. The Senator says it may kill the whole bill. This is such a trivial thing on which to hang the fate of the whole bill, whether some claimant gets what he has been demanding that Cuba pay him, and Cuba has not seen fit to pay him.

All these claims are not wrapped up in garments of sacredness. Some of these claims, I have been told by diplomats and others, do not smell very aromatic. Some of them are of doubtful value. I am not going to vote to carry this provision in this bill which places our intercourse with foreign nations on the dollar basis. Here is a great bill, a great measure, which affects the whole world, which affects the people of the United States. Every housewife is affected by sugar. Yet it is said, "Well, if they don't pay some of these claims we are not going to let them have a quota."

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. FULBRIGHT. Even if we put it on a dollar basis is it not true that during the war and up to the present Cuba has been very fair in the price of sugar when she could have, as some other countries we know of very well have, taken advantage of the situation and charged exorbitant amounts for sugar, which I think is still the only really rationed article in this country. Is not that true?

Mr. CONNALLY. I am not sure as to all the details, but I have always understood that was the fact.

Mr. FULBRIGHT. The Senator recalls that after the last war sugar went up in price to 25 cents.

Mr. CONNALLY. Yes.

Mr. FULBRIGHT. It is not 25 cents now. I think it is only around 10 cents a pound retail. I do not know what the treaty calls for at the wholesale level, but it is much less than that. I think the Senator from Colorado knows it to be true that during the war, when we

were very anxious to get all the sugar from Cuba we could get, we had very decent treatment so far as the price was concerned.

Mr. CONNALLY. I do not care to take up more of the time of the Senate, but I do very much hope the Senate will strike out this section. I am very anxious to get the sugar bill through, the people of Texas want it passed. Some prominent Texans have been here for some time interested in getting the sugar bill through. But when we get the sugar bill through, I want the right kind of a sugar bill passed, not a one-way street sugar bill. Let us get one that is fair and that is based upon good will between the nations of the earth.

Mr. CHAVEZ. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAVEZ. The bill is subject to amendment, is it not?

The PRESIDING OFFICER. The bill is open to amendment.

Mr. CHAVEZ. I move to amend by striking out subsection (e) of section 202.

The PRESIDING OFFICER. The Clerk will state the amendment.

The LEGISLATIVE CLERK. On page 8, line 17, it is proposed to strike out subsection (e), which reads as follows:

(e) If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdrawn any increase in the share of the domestic consumption requirements provided for such country by this act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937: *Provided*, That any amount of sugar so withheld or withdrawn shall be prorated to domestic areas on the basis of existing quotas for such areas and the Secretary shall revise such quotas accordingly: *Provided further*, That any portion of such amount of sugar which cannot be supplied by domestic areas may be prorated to foreign countries other than a country which the Secretary of State finds has denied fair and equitable treatment to nationals of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I shall not delay the Senate long, but I do wish to repeat what I stated to the Senate night before last. Senate bill 1584, and the House bill we are now considering, has only one purpose, namely, to stabilize the sugar industry. Let me read the purposes of the bill:

To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

Amongst the other purposes there is nothing whatsoever that has to do with the bill being made a vehicle for collection purposes.

Mr. President, no one wants to help a foreign country, even a little one like Cuba, to pay its just debts to our nation-

als, including corporations, which are involved in the section we are considering, more than I do. But there is a proper way to do it. There is a proper way to collect such debts and to ascertain what they are. I think a country such as ours actually should be ashamed of itself that it has to come to the point of inserting in the law a provision such as subsection (e) of section 202 in order to carry out the caprice or whim of American nationals, which are two or three corporations of the United States, and doing it the way here proposed.

Mr. President, is that what we have been preaching? Is that what we fought for? Is that the basis of our policy in Greece and Turkey and China and elsewhere? Is it in keeping with our so-called good-neighbor policy?

Possibly Senators do not think it is important. Of course we can do what is suggested. We are powerful, and there are the votes to pass the legislation, but it is not going to set well.

In a few days, the President of this body and the Senator from Texas will go forth on a noble mission to Brazil to try to spread doctrines we have been preaching—good will and the good neighbor policy. Imagine the look on the faces of the representatives of small countries, such as Cuba and others, when they see the Senator from Texas and the Senator from Michigan, representing the leading country of the world, coming among them after the enactment of such a bill as this. They will not, of course, directly say it to the faces of the Senators; but in their minds will be the thought, "Yours is the most powerful Nation on earth, and yet it finds it necessary to prod Cuba by passing legislation of this type." We can do it if we want to; but is it right, is it neighborly, is it even good manners? Should we preach to any nation in the world, be it Communist or otherwise, about our sincerity of purpose, about our idea of trying to do what is right, and then pick on little Cuba, who might not think she owes those debts. Who is going to decide as to those things? Do we do it that way in everyday life? Somebody says to CHAVEZ, "You owe me \$50." And I say "I do not." We go to court about it; but I have my day in court. Let me say that the nationals who seek the payment of claims are of the class to which the Senator from Texas has referred. In this group there is not a claimant who is what we call a natural person. They are only "persons" in the sense that a corporation or agency is called a person in law. Who decides as to the claim? The Secretary of State. Who decides as to the righteousness of the claim, as to the correctness of the claim? Our Secretary of State. Is that good will? Is that international justice? Is that what we have been preaching?

Senators, it is a serious matter, so serious that I made an appeal to this body night before last concerning it. Let us not boast of our might, but let us show the world, including small countries, that we can be just and fair. Let not a great industry such as the sugar industry of the United States say that the Congress of the United States is its "sugar daddy" and the United States of America will

collect for it a few million dollars, or whatever the amount may be. It is not right; it is not fair; it is not American; it is not what we stand for. We are not alone in thinking that way.

I want to read an editorial which appeared in the Washington Post of yesterday morning. It is headed "Cuban Indignation." It reads as follows:

Cuba, neighbor and friend—

Put this provision in the bill, and while she will be our neighbor, and will have to be our friend, yet she will not feel like being our friend—

Cuba, neighbor and friend, has a real grievance against the United States which is so well justified that we hope the Senate will rectify it. The grievance concerns a section in the pending sugar bill which says that if the Secretary of State finds that any foreign country denies fair and equitable treatment to Americans, he is empowered to deny that country benefits accorded under the bill. This is meant to obtain for American nationals payment of private claims they have against the Cuban Government. Such an interpretation, given by Representative HOPE to the House of Representatives and concurred in by the State Department, has created a furor in Cuba.

Why not? When we were poor, when we were small, we would have resented it, and rightly so, if England had enacted legislation of the type here proposed. According to House bill 4075, if the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, he is empowered to deny that country the benefits accorded under the bill.

So perturbed are the Cubans that they threaten to keep away from the coming Rio meeting of the American Republics to work out a system of hemispherical defense.

They are going to be there. They are not going to stay away from Rio or Brazil. But I will wager they wish they were powerful enough to be able to say, "We resent an insult, and the fact that we are now being treated without the respect that should be accorded to any dignified country, such as the dignity and the respect that we pay to humble men in the street."

The club that the State Department has inserted in the sugar bill is a reversion to the big stick policy toward our continental neighbors.

President Coolidge said that "The person and property of a citizen are a part of the general domain of a nation, even when abroad."

I believe that is exactly what the Senator from Colorado had in mind when he stated that American nationals should be protected. I believe they should be protected, but I would not carry it to the extent here proposed.

This attitude was abandoned under the good-neighbor policy. Instead of collecting debts arbitrarily, we decided to put our faith in common principles developed at successive inter-American conferences. The latest pledge was laid down in the Act of Chapultepec. Here the rule was adopted "on conciliation, unrestricted arbitration, or the application of international justice in the solution of any difference or dispute between American nations, whatever its nature or origin." Cuba, which is regularly meeting payments on her foreign debt, has pleaded

with our Government to live up to this undertaking and has pledged herself to go before any conciliation board.

But under the Sugar Act there would be no such thing as a conciliation board. The Secretary of State of the powerful United States would decide the matter.

There is no excuse for our trying to collect the claims of our citizens by this form of legislative intimidation.

Actually that is what it is, legislative intimidation by a powerful country, telling a country that exists by the sale of her sugar, "We will starve you if necessary, if you do not pay corporation A something, in the city of Philadelphia or New York." Probably this is correct, and probably it should be done.

The claims, not being the result of a marketed loan in the United States, are in no special class to themselves. They are inextricably mixed up with the claims of Cuban nationals incurred by old administrations in Havana. They are thus part of Cuba's internal debt. Yet we are threatening to subject the Cuban Government to the embarrassment of making it give the American claimants a privileged position. This is a poor return for Cuba's help to us during the war. We trust the Senate will not allow a bill to go through containing such a flagrant violation of our pledges and our professions. Let the offensive clause be stricken out, and then the State Department could go about the job of composing our nationals' claims through the machinery provided for, as suggested by Cuba and as called for by our obligations.

That is the end of the editorial in the Washington Post of day before yesterday, and it is correct.

Mr. President, it is my firm conviction that every nation, large and small, including England, should pay its debts. Russia should pay her debts. Cuba should pay her debts. But in procuring payment of debts by nations who owe us money, let us follow the well-established customs existing among nations who want to do what is right.

Mr. President, I want to impress upon Senators that the good-neighbor policy has meant much to the smaller nations of this hemisphere. We are the largest nation in this hemisphere. The smaller nations look to us for guidance; they expect from us justice. Today a Senator from a neighboring country, Colombia, appeared on the floor of the Senate. He was presented to the Members of the Senate by the Senator from Florida [Mr. PEPPER] and the Senator from Rhode Island [Mr. GREEN]. Speaking in Spanish to me he said, "Senator, we look to the United States to help us, to direct us, to set us an example for the future. It is our desire to be as democratic as you are. It is our desire to have the people of other nations respect us as they respect you, because you treat the people of all nations fairly and justly."

Mr. President, if the bill is passed in its present form, there will be many who will not like it. It will operate to our disadvantage, in spite of all the Senators who may be sent to Rio. My friend the Senator from Texas [Mr. CONNALLY] and my friend the Senator from Michigan [Mr. VANDENBERG] will be received with open arms, but with suspicion. They will be received as good citizens should be

received. But they will be told, "You come to us and speak honeyed words. Your Nation signed the Act of Chapultepec. Your people speak of neighborliness and good-will policies. Nevertheless, the body of which you are Members passed a bill which would intimidate the people of Cuba into paying its debts, whether just or not."

I hope the amendment will be rejected.

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Aiken	Hayden	Myers
Baldwin	Hickenlooper	O'Connor
Bail	Hill	O'Daniel
Barkley	Hoey	O'Mahoney
Brewster	Holland	Overton
Bricker	Ives	Pepper
Brooks	Jenner	Reed
Buck	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Robertson, Va.
Byrd	Kilgore	Russell
Capehart	Knowland	Saltonstall
Capper	Langer	Smith
Chavez	Lodge	Sparkman
Connally	Lucas	Stewart
Cooper	McCarthy	Taft
Cordon	McClellan	Taylor
Donnell	McFarland	Thomas, Okla.
Dworshak	McGrath	Thye
Eastland	McKellar	Tydings
Eaton	McMahon	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Malone	Wherry
Fulbright	White	Wiley
George	Maybank	Williams
Green	Millikin	Young
Gurney	Moore	
Hatch	Morse	
Hawkes	Murray	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

The question is on the amendment offered by the Senator from New Mexico [Mr. CHAVEZ] to strike out subsection (e) of section 202 from the pending bill.

Mr. MILLIKIN. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. REED. I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from Washington [Mr. CAIN] and will vote. I vote "nay."

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Utah [Mr. WATKINS], and the Senator from Wyoming [Mr. ROBERTSON] are necessarily absent.

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Iowa [Mr. WILSON], the Senator from Missouri [Mr. KEM], and the Senator from Vermont [Mr. FLANDERS] are unavoidably detained. If present and voting, the Senator from Vermont would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

The Senator from Washington [Mr. CAIN], who is unavoidably detained, is paired with the Senator from New York [Mr. WAGNER]. The Senator from Washington, if present and voting, would vote "nay," and the Senator from New York, if present and voting, would vote "yea."

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Nevada [Mr. McCARRAN] is absent on official business.

The Senator from Utah [Mr. THOMAS], who is necessarily absent, would vote "nay" if present.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Washington [Mr. CAIN] has previously been announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "yea" and the Senator from Washington would vote "nay."

The result was announced—yeas 40, nays 42, as follows:

YEAS—40		
Aiken	Kilgore	O'Daniel
Byrd	Knowland	Overton
Chavez	Langer	Pepper
Connally	Lucas	Robertson, Va.
Cooper	McClellan	Russell
Eastland	McGrath	Smith
Fulbright	McKellar	Sparkman
Green	McMahon	Stewart
Hatch	Magnuson	Taylor
Hayden	Maybank	Tydings
Hill	Morse	Umstead
Holland	Murray	Vandenberg
Ives	Myers	
Johnston, S. C.	O'Connor	

NAYS—42		
Baldwin	Ellender	Millikin
Ball	Ferguson	Moore
Barkley	George	O'Mahoney
Brewster	Gurney	Reed
Bricker	Hawkes	Revercomb
Brooks	Hickenlooper	Saltonstall
Buck	Hoey	Taft
Butler	Jenner	Thomas, Okla.
Capehart	Johnson, Colo.	Thye
Capper	Lodge	Wherry
Cordon	McCarthy	White
Donnell	McFarland	Wiley
Dworshak	Malone	Williams
Eaton	Martin	Young

NOT VOTING—13

Bridges	Kem	Wagner
Bushfield	McCarran	Watkins
Cain	Robertson, Wyo.	Wilson
Downey	Thomas, Utah	
Flanders	Tobey	

So Mr. CHAVEZ' amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HOLLAND. Mr. President, when the amendment was offered the distinguished Senator from Colorado had not finished discussing the bill. I was waiting until he reached the provisions of section 302 to address an inquiry to the Senator.

Mr. MILLIKIN. Mr. President, I shall be very glad to have the Senator place in the RECORD the correspondence which he has. It is very illuminating.

Mr. HOLLAND. Mr. President, I believe I shall make a statement in my own time.

The question has been raised by some of the producers within the State of Florida as to the provisions of subsection (b) of section 302. They have been somewhat concerned. In subsection (b) the word "may" is used in the second line of that subsection in describing the powers of the Secretary of Agriculture with reference to the distribution of the proportionate shares of the quota among the producers of sugar.

The producers in the State of Florida who have been concerned have wanted the word "may" changed to the word "shall" so as to require mandatorily of the Secretary of Agriculture that he must, in considering the distribution of quotas, consider the two factors which are mentioned in that section, namely, the past production on the farm and the ability to produce on the farm.

The Senator from Colorado and I have discussed that question and have taken it up with the Sugar Section of the Department of Agriculture. We have been told by the Chief of that Section that in construing the identical provision of the 1937 act it has always been held and interpreted that the word "may" means exactly the same as the word "shall", and that it is mandatory under this provision for the Secretary of Agriculture to consider, in the distribution of quotas, both factors, that is, past production, and ability to produce.

After discussing that matter with the chief of the Sugar Section, the Senator from Colorado [Mr. MILLIKIN] and I requested a formal statement from the Secretary of Agriculture in the nature of an interpretation and amounting almost to an administrative ruling. I have here and would like to have printed in the RECORD at this place in my remarks an interpretative ruling of the Secretary of Agriculture as embraced in a letter dated July 16, 1947, addressed to me.

There being no objection, the letter was order to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,

Washington, July 16, 1947.

HON. SPESSARD L. HOLLAND,

United States Senate.

DEAR SENATOR: This is in response to your request as to the interpretation of the Department of Agriculture of section 302 (b) of the Sugar Act of 1937, the text of that section being identical with the wording of the same section in S. 1584. We understand that some of the Florida growers are concerned about the interpretation of this section.

Section 302 (b) provides that "in determining the proportionate share with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar and the ability to produce such sugar beets or sugarcane * * *." Inasmuch as the law prescribes that only two factors, past production and ability to produce, be used in determining proportionate shares for a farm, the Department has always construed "may" in section 302 (b) as requiring the Secretary to take into consideration both factors. There is no collateral provision in the proposed legislation, S. 1584 or H. R. 4075, or any legislative history in connection with these bills, of which we are aware, which would either suggest or require that a different interpretation should henceforth be adopted by the Department.

The report on H. R. 4075 by the Committee on Agriculture of the House of Representatives confirms our interpretation. The following statement appears on page 8 of Report No. 796 of the House of Representatives: "The proportionate shares (acreage allotments) for farms are to be established on the basis of past production on the farm and ability to produce sugar beets or sugarcane thereon."

If you have any further questions about this section, we shall be glad to respond promptly.

Sincerely yours,

CLINTON P. ANDERSON,
Secretary.

The PRESIDING OFFICER. The question is on the final passage of the bill.

Mr. PEPPER. Mr. President, I want to say one word. Florida has been in a very unfortunate situation relative to the sugar question, because production in our State came late. Historically, our sugar industry actually began in 1929. When the sugar quota law went into effect in 1935 it was based upon the historical background of the producing areas of the country. That is to say, quotas were awarded to the producing areas on an historical basis. Accordingly, our State, which we have been pleased to call the sugar-bowl of this country, has been limited in its ability to produce sugar by the result of the quota system restricting our production. We have therefore felt that we have suffered by the imposition of restrictions upon our productive capacity in the Everglades area of Florida. The entire Florida delegation has fought, since the Sugar Act has been the law of the land, to get an increased quota, which we felt we deserved. There has been a constantly enlarged quota allowed to us. During the war we extended our production and our processing facilities.

We have not been altogether satisfied with the quota which will be available to us under this bill. Perhaps other areas of the country are not satisfied either. We do feel that we can live for the present under these limitations in the quota system. We hope the quotas will be deferred as long as possible, at least for the next few years, while there is still a shortage of sugar for the consumers of our country.

We do appreciate the cooperation which has been extended to us by the able chairman of the committee, the distinguished Senator from Colorado, in recognizing our peculiar problem in Florida and in assisting us sympathetically, as all the proponents of the bill have done. But we do hope as time goes on we can expand our productive capacity to meet the greater demand.

So we are accepting this bill under the present circumstances with the hope that we shall have the sympathetic interest and cooperation of others who understand our peculiar situation and that there will be more satisfactory legislation in the future.

Mr. ROBERTSON of Virginia. Mr. President, I have heard a great deal of discussion tonight as to whether cane sugar or beet sugar got the advantage under this bill, and we have debated and tried to strike out, but lacked two votes of doing it, an amendment which was peculiarly harsh to a small but friendly neighboring country. There has been no discussion whatever concerning the basic problem involved in this bill; that is, whether we are dealing justly with Cuba in giving her only the quota she had before the war, except the unfilled portion,

for the next 5 years, of the quota of the Philippines, under the Philippines Trade Act.

I think it is generally recognized that the Philippines in 1948 will fill at least half of their quota, and in 1949 will probably fill all of their quota. That means that only for 2 years, as I see it, will Cuba get any benefit whatever from that source.

The second proposition which I have not heard mentioned is whether this bill is in the best interests of the consumers of sugar in this country. We have 2 States which produce cane sugar, and there are 14 States which produce beet sugar. I recognize that they made a very valuable contribution in increasing their production during the war, and I would be very happy to see them get a liberal part of the increased market. But I frankly do not think, Mr. President, that in framing the bill, we have given due and proper consideration to the 140,000,000 consumers in this country, because in giving so large a percentage of our future anticipated needs to the domestic market we are contemplating a subsidy which we will have to keep in operation.

In normal times Cuba can produce sugar for 2 cents a pound. We shall not see the time for many years when we can produce sugar in this country for less than 4 or 5 or 6 cents a pound. We are going to subsidize that market and make our consumers pay in the retail price the difference between that subsidy and what they could have bought it for on a freer market.

I say, Mr. President, with full recognition of the fact that I am wasting my time in saying it, so far as the passage of this bill is concerned, that we have not in framing the bill given due regard either to the proper treatment of Cuba or to the best interests of the consumers of sugar in our own country.

The PRESIDING OFFICER. The question is on the engrossment of the amendment, and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. McMAHON. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H. R. 4075) was passed.

USE OF SURPLUS BUILDINGS AND LANDS FOR COMMUNITY PURPOSES

Mr. GURNEY. Mr. President, the Armed Services Committee has had controversies in the past 2 or 3 months respecting pieces of property which are proposed to be deeded to communities for several purposes. This morning our committee reported favorably a Senate concurring resolution relating to surplus buildings and lands for community properties. The concurrent resolution would request the War and Navy Departments to hold the property and land in question

[PUBLIC LAW 388—80TH CONGRESS]

[CHAPTER 519—1ST SESSION]

[H. R. 4075]

AN ACT

To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sugar Act of 1948".

TITLE I—DEFINITIONS

SEC. 101. For the purposes of this Act, except title V—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) The term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure, but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.

(e) The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble non-sugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 per centum or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) The "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing ninety-six sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing ninety-two or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07;

(2) For sugar, derived from sugarcane and testing ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93;

(3) For sugar, derived from sugarcane and testing more than ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above ninety-two degrees;

(4) For sugar and liquid sugar, testing less than ninety-two sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972.

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection (h).

(i) The term "total sugar content" means the sum of the sucrose (Clerget) and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota", depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year, from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugarcane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or liquid sugar which may be marketed in the Territory of Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculture.

TITLE II—QUOTA PROVISIONS

SEC. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first ten days thereof) and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed

for consumption, as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas, by apportioning among such areas 4,268,000 short tons, raw value, as follows:

Area	Short tons, raw value
Domestic beet sugar_____	1, 800, 000
Mainland cane sugar_____	500, 000
Hawaii _____	1, 052, 000
Puerto Rico_____	910, 000
Virgin Islands_____	6, 000

(b) For the Republic of the Philippines, in the amount of nine hundred and fifty-two thousand short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

(c) For foreign countries other than the Republic of the Philippines, by prorating among such areas an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

Area	Per centum
Cuba _____	98. 64
Foreign countries other than Cuba and the Republic of the Philippines_____	1. 36

The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, Number 1, issued December 12, 1936, pursuant to the Agricultural Adjustment Act, as amended.

(d) Notwithstanding the other provisions of this title II, in the event the quota established for Cuba, including any and all deficits

allotted or prorated to Cuba pursuant to the provisions of section 204 (a), shall be a smaller proportion of the total amount of sugar which the Secretary determines is needed to meet the requirements of consumers in the continental United States pursuant to section 201 of this Act, than the quota which would have been established for Cuba upon such consumptive estimate under the provisions of section 202 (b) of the Sugar Act of 1937, the quotas for domestic sugar-producing areas established pursuant to the other provisions of this title II shall be reduced pro rata by such amounts as are required to establish such quota for Cuba and the amounts by which such domestic sugar-producing quotas are so reduced shall be added to the quota for Cuba.

(e) If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this Act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937: *Provided*, That any amount of sugar so withheld or withdrawn shall be prorated to domestic areas on the basis of existing quotas for such areas and the Secretary shall revise such quotas accordingly: *Provided further*, That any portion of such amount of sugar which cannot be supplied by domestic areas may be prorated to foreign countries other than a country which the Secretary of State finds has denied fair and equitable treatment to nationals of the United States.

SEC. 203. In accordance with such provisions of section 201 as he deems applicable, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

SEC. 204. (a) The Secretary shall, from time to time during the calendar year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any domestic area, the Republic of the Philippines, or Cuba, will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect: *Provided, however*, That domestic areas shall not share in any deficit of any domestic area if the then outstanding determination of the Secretary made pursuant to section 201 of the Act is less than seven million short tons, raw value. If the Secretary finds that the Republic of the Philippines will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for Cuba and foreign countries other than Cuba and the Republic of the Philippines by prorating an amount of sugar equal to the deficit so determined, as follows:

To Cuba-----	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines-----	5 per centum

Provided, however, That whenever the quota for Cuba established under the provisions of this Act other than section 202 (d) is less than the amount required by the provisions of section 202 (d) of this Act, such prorations shall be as follows:

To Cuba-----	98.64 per centum
To foreign countries other than Cuba and the Republic of the Philippines-----	1.36 per centum

Any portion of such Philippine deficit which the Secretary determines cannot be supplied by Cuba shall be prorated to foreign countries other than Cuba and the Republic of the Philippines. No part of any Philippine deficit so prorated may be filled by direct-consumption sugar.

(b) If, on the 1st day of September in any calendar year, any part or all of the proration to any foreign country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under the provisions of section 202 (c) has not been filled, the Secretary may revise the proration of such quota among such foreign countries by allotting an amount of sugar equal to such unfilled proration to such foreign countries as have filled their prorations of such quota by such date.

(c) The quota for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section 204.

(d) Any proration among foreign countries other than Cuba and the Republic of the Philippines pursuant to this section shall be on such basis as the Secretary shall determine.

SEC. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this Act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302, pertained; the past marketings or importations of each such person; and the ability

of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

(b) An appeal may be taken, in the manner hereinafter provided from any decision making such allotments, or revisions thereof, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revising any allotment made to him.

(c) Such appeal shall be taken by filing with said court, within twenty days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of said appeal the Secretary shall file with the court the originals or certified copies of all papers and evidence presented to him upon the hearing involved, a like copy of his decision thereon, a full statement in writing of the facts and grounds for his decisions as found and given by him and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

(d) Within thirty days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however,* That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are

arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 240 of the Judicial Code, as amended (U. S. C., title 28, sec. 347), by appellant, by the Secretary, or by any interested party intervening in the appeal.

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

SEC. 206. Subject to the provisions of sections 207 and 408 relating to the suspension of quotas, sugar quotas shall be established pursuant to this Act for the calendar year 1948 within ten days after effective date of this Act.

SEC. 207. (a) Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.

(b) Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) Not more than fifty-six thousand short tons of sugar of the quota for the Republic of the Philippines for any calendar year may be filled by direct-consumption sugar as specified in section 211 of the Philippine Trade Act of 1946.

(e) Not more than three hundred and seventy-five thousand short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar.

(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

(g) The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of title II applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 408 of this Act unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas.

SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

Country	In terms of wine gallons of 72% total sugar content
Cuba	7, 970, 558
Dominican Republic.....	830, 894
Other foreign countries.....	0

SEC. 209. All persons are hereby prohibited—

(a) From bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or foreign countries, (1) any sugar or liquid sugar after the applicable quota, or the proration of any such quota, has been filled, or (2) any direct-consumption sugar after the direct-consumption portion of any such quota has been filled;

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland cane-sugar area after the quota for such area has been filled;

(c) From marketing in either the Territory of Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

(d) From exceeding allotments of any quota, direct-consumption portion of any quota, or proration of any quota, made to them pursuant to the provisions of this Act.

SEC. 210. (a) The determinations provided for in sections 201 and 203, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208, shall be made or established in terms of raw value.

(b) For the purposes of this title, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 and in the establishment or revision of quotas, prorations, and allotments.

SEC. 211. (a) The raw-value equivalent of any sugar or liquid sugar in any form, including sugar or liquid sugar in manufactured products, exported from the continental United States under the provisions of section 313 of the Tariff Act of 1930 shall be credited against any charges which shall have been made in respect to the applicable quota or proration for the country of origin. The country of origin of sugar or liquid sugar in respect to which any credit shall be established shall be that country in respect to importation from which draw-back of the exported sugar or liquid sugar has been claimed. Sugar or liquid sugar entered into the continental United States under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin.

(b) Exportation within the meaning of sections 309 and 313 of the Tariff Act of 1930 shall be considered to be exportation within the meaning of this section.

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area: *Provided, however*, That any sugar or liquid sugar admitted free of duty from the Virgin Islands under the Act of Congress, approved March 3, 1917 (39 Stat. 1133), may be admitted within the quota for the Virgin Islands.

SEC. 212. The provisions of this title shall not apply to (1) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year; (2) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in individual sealed containers

of such capacity as the Secretary may determine, not in excess of one and one-tenth gallons each; or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production of livestock feed.

TITLE III—CONDITIONAL-PAYMENT PROVISIONS

SEC. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

(a) That no child under the age of fourteen years shall have been employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane with respect to which application for payment is made, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed; and that no child between the ages of fourteen and sixteen years shall have been employed or permitted to do such work, whether for gain to such child or any other person, for a longer period than eight hours in any one day, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed. The Secretary is authorized to make payments, notwithstanding a failure to comply with the conditions provided in this subsection, but the payments made with respect to any crop shall be subject to a deduction of \$10 for each child for each day, or a portion of a day, during which such child was employed or permitted to work contrary to the foregoing provisions of this subsection.

(b) That there shall not have been marketed (or processed) an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(c) (1) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas:

Provided, however, That a payment which would be payable except for the foregoing provisions of this subparagraph may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.

(2) That the producer on the farm who is also, directly or indirectly a processor of sugar beets or sugarcane, as may be determined by the Secretary shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

SEC. 302. (a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carry-over inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

(c) Payments shall be effective with respect to sugar or liquid sugar commercially recoverable from sugar beets and sugarcane grown on a farm commencing with the crop year 1948.

SEC. 303. In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302, the Secretary is also authorized to make payments, on the conditions provided in section 301, with respect to bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing area, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) With respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess of 80 per centum of the normal yield of commercially recoverable sugar or liquid sugar for

such acreage for the farm, as determined by the Secretary, over the actual yield.

SEC. 304. (a) The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

(b) All payments shall be calculated with respect to a farm which, for the purposes of this Act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value	Reduction in the base rate of payment per hundredweight of such portion
350 to 700-----	\$0. 05
700 to 1,000-----	. 10
1,000 to 1,500-----	. 20
1,500 to 3,000-----	. 25
3,000 to 6,000-----	. 275
6,000 to 12,000-----	. 30
12,000 to 30,000-----	. 325
More than 30,000-----	. 50

(d) Application for payment shall be made by, and payments shall be made to, the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however,* That all producers on the farm shall signify in the application for payment the percentage of the total payment with respect to the farm to be made to each producer: *And provided further,* That payments may be made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm. as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. In carrying out the provisions of titles II and III of this Act, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. The facts constituting the basis for any payment, or the amount thereof authorized to be made under this title, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. This title shall apply to the continental United States, the Territory of Hawaii, Puerto Rico, and the Virgin Islands.

TITLE IV—GENERAL PROVISIONS

SEC. 401. For the purposes of this Act, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this Act, including personal services and rents in the District of Columbia and elsewhere.

SEC. 402. (a) There is hereby authorized to be appropriated for each fiscal year for the purposes and administration of this Act the funds necessary to make the payments provided for in title III of this Act and such other amounts as the Congress determines to be necessary for such fiscal year to carry out the other provisions of the Act.

(b) All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this Act.

(c) The funds made available for the purpose of enabling the Secretary to carry into effect the provisions of the Sugar Act of 1937, as amended, during the fiscal year 1948 are also hereby made available to the Secretary for purposes of administration of the provisions of this Act during the fiscal year 1948.

SEC. 403. (a) The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this Act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this Act shall, upon conviction, be punished by a fine of not more than \$100 for each such violation.

(b) Each determination issued by the Secretary in connection with quotas and deficits under title II or payments under title III of this Act shall be promptly published in the Federal Register and shall be accompanied by a statement of the bases and considerations upon which such determination was made.

SEC. 404. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this Act or of any order or regulation made or issued pursuant to this Act. If and when the Secretary shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

SEC. 405. Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into

the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (a) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. 406. All persons engaged in the manufacturing, marketing, or transportation or industrial use of sugar or liquid sugar, and having information which the Secretary deems necessary to enable him to administer the provisions of this Act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than \$1,000 for each such violation.

SEC. 407. No person shall, while acting in any official capacity in the administration of this Act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than two years, or both.

SEC. 408. Whenever pursuant to the provisions of this Act the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation, except as provided in section 207 of this Act, of all the provisions of title II above, and, thereafter, the operation of such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section.

SEC. 409. Whenever the Secretary determines that such action is necessary to effectuate the purposes of this Act, he is authorized, if first requested by persons constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area and (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor, producer, or laborer.

SEC. 410. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this Act and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

SEC. 411. The powers vested in the Secretary under this Act shall terminate on December 31, 1952, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year 1952 and previous crop years.

SEC. 412. The provisions of this Act, except where an earlier effective date is provided for herein, shall become effective January 1, 1948. As provided in section 513 of the Sugar Act of 1937, the powers vested in the Secretary under that Act shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III of that Act under programs thereunder applicable to the crop year 1947 and previous crop years.

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE

SEC. 501. (a) Subsection (b) of section 3507 of the Internal Revenue Code (relating to the definition of "manufactured sugar") is amended by inserting in the parenthesis after the word "added" therein the following: "or developed in the product".

(b) Section 3508 of the Internal Revenue Code (relating to termination of taxes) is amended to read as follows:

"SEC. 3508. TERMINATION OF TAXES.

"No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar or articles composed in chief value of sugar after June 30, 1953. Notwithstanding the provisions of section 3490 or 3500, no tax shall be imposed under this chapter with respect to unsold sugar held by a manufacturer on June 30, 1953, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date.

With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 3500 has been paid and which, on June 30, 1953, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer, subject to such regulations as may be prescribed by the Commissioner of Customs with the approval of the Secretary, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar."

(c) The amendments to the Internal Revenue Code provided for in this section shall become effective upon the first day of the second month following the date of the enactment of this Act.

Approved August 8, 1947.

